

Nº21 • Quarterly

PORTUGAL ON THE MOVE

# Essential

## BUSINESS



### OUSIA

The science of beauty

### LAAF

Much more than antiques

### ISABEL UCHA

Democratising shares

### CHRIS BARTON

A man with metal

### TOURISM

America's fascination with Portugal

### MOTA-ENGIL

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CHRIS GRAEME

## Welcome to the 21st issue of Essential Business

The first half of 2023 has been marked by continued uncertainty as the war in Ukraine drags on into its second year and geopolitical tensions with China, whilst starting to lessen, are still simmering over a number of issues concerning Sino-US trade.

Yet despite these differences, at least one extremely successful international Portuguese company, the construction giant Mota-Engil, has been making inroads — quite literally in some cases — on three continents: Europe, Africa and South America, with a particular focus on Mexico.

Here it has been able to successfully partner with local companies on the ground without any pressure or hindrance, directly or indirectly, from Mexico's biggest export client, the United States, regardless of the China Communications Construction Company's (CCCC) 23% in the company. But the new CEO and chairman, Carlos Mota Santos, leaves a piece of sound advice for Portugal's companies: merge and expand if they want to successfully compete overseas for contacts.

This idea of pooling economic weight through mergers and acquisitions and raising equity on the stock market is echoed by the CEO of Euronext Lisbon, Isabel Ucha, who we interviewed in June and who reassures that Lisbon's stock market, one of the most dynamic of all the European stock markets held by the group, offers companies an alternative route to banks for raising funds on the capital markets.

In this issue, we also take a look at the growing number of US citizens who are holidaying and relocating to Portugal and what this has meant for airlines, hotels, investment and the housing market in Portugal. Essential Business was invited to the Portugal-US Tourism and Real Estate Conference, organised by the American Chamber of Commerce in Portugal in April, to find out about the growing importance of this market to the Portuguese economy.

And on the subject of chambers of commerce, we interview one of the longest-serving and most respected chamber heads, Chris Barton, CEO of the British-Portuguese Chamber of Commerce (BPCC) which, incidentally, has been in existence for over 100 years and is one of the oldest in Portugal. With 25 years at its helm, Essential discovers Chris's rather adventurous past.

With so many overseas relocators moving to Portugal and tourists visiting the country since 2017, it is not surprising that Portugal's tourism agencies are keen to promote the country as a health and wellness destination. This has dovetailed perfectly with Portugal's growing market in the area of medical aesthetics. In this issue, we devote our cover story to one of the largest and most innovative non-invasive clinics in Portugal — OUSIA Clinic. A bold new project conceived by entrepreneur Dionisia Ferreira, OUSIA Clinic opened its doors in May and offers a comprehensive range of beauty, health, wellness and post-surgery treatments supported by cutting-edge technology.

Last but not least, we visit the Lisbon Art and Antiques Fair (LAAF) and talk to some of the leading lights in Portugal in a sector that, over the years, has stood out for the quality of the art works, antiques and design pieces sold to discerning clients and collectors at home and abroad.

Enjoy,

Chris Graeme, Editor

### Estatuto editorial

A revista Essential Business pretende dar a conhecer à comunidade empresarial e internacional em Portugal e a quem visita o país em trabalho, para eventos profissionais ou para investimento, a realidade e atualidade sobre negócios em Portugal.

Enquanto temas relacionados com a imobiliária e o turismo são uma presença constante, a revista e os seus suportes digitais cobrem todas as áreas de negócio, incluindo a saúde, o retalho e as mais diversas indústrias.

A revista Essential Business assume o compromisso de assegurar o respeito pelos princípios deontológicos e pela ética profissional dos jornalistas, assim como pela boa-fé dos leitores.

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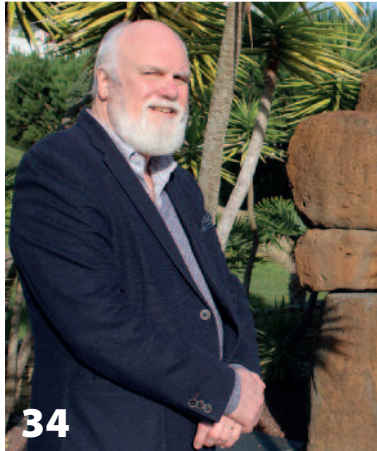
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# OUSIA CLINIC

## Beauty within and without

**OUSIA CLINIC is a bold, innovative and holistic approach to aesthetics medicine. Having opened in March, it is probably the most sophisticated and technologically advanced clinic in Portugal. Essential Business talks to co-founder Dionisia Ferreira.**

TEXT **CHRIS GRAEME**

PHOTOS **JOSÉ FERREIRA, CHRIS GRAEME AND OUSIA CLINIC**

I walk into OUSIA CLINIC, Portugal's most sophisticated and technologically advanced medical aesthetics establishment, and immediately sense a complete and radical departure from anything I have experienced or seen before.

Standing in the ample and open-plan foyer, it is difficult to put your finger on the difference, but something intangible is. Is it the fresh woody aroma, the flood of light reflecting off white walls and white marble floors that convey a sense of levity and spartan cleanliness?

Nothing is dark and cluttered here; all is light and space combined with the natural non-affected attention from the staff who are polite, subtle, attentive but not intrusive. This myriad of sensations is at once calming and reassuring and provides the confidence that you are in the right place to be taken care of holistically.

We are met by a tall, elegant, and tanned woman in a striking yellow trouser suit that offsets a shock of voluminous jet black hair which frames a flawless complexion with no makeup whatsoever. This lady greets me with hand extended and exudes self-assurance and presence. This is entrepreneur Dionisia Ferreira, who has just embarked on the adventure of her life, embracing the challenge with gusto and relish. I have just been inducted into a concept that seeks to reach the essence of each individual, to help them find a better balance between body, mind and spirit.

I am taken through to the reception area and offered a coffee at the nutrition bar. "A healthy, balanced nutrition is one of our core concepts. I believe what we

eat and how we sleep is key to our overall health. What we eat, how we eat, when we eat and how it is prepared is extremely important," she reflects. "You may not eat much, but if what you do eat is not nutritionally sound then it amounts to eating badly."

Dionisia says that when looking at the business, which officially opens in March, she knew she had to look at it as a whole and from various perspectives which, in her mind, are all interconnected.

"When we thought about the interior design, we wanted clients to feel comfortable and relaxed, to take advantage of all the different treatments, go to the gym and have lunch all under one roof without having to leave the building," she reflects.

After the initial phase, when the business is fully up and running, OUSIA CLINIC plans to widen the choice of treatments and already has the space to introduce more treatment rooms, and not just for adults. The founders are already looking at children's services in terms of nutrition, fitness and exercise, and weight loss.

"If someone were to ask me what the age range is for our clients in terms of treatments, I would say from adolescence to old age," adding that they have a very effective treatment for teenage acne and already have clients who are 85 years old or more.

### **A SMALL BUT GROWING MARKET**

Portugal's small but burgeoning aesthetics medicine sector is currently valued at around €1.76Bn according to Macro Consulting which foresees

year-on-year growth at 3.72% to 2026, while in terms of products and services offered, turnover was estimated at €0.86Bn in 2022.

Of course, this is a drop in the ocean when compared the global aesthetics market in terms of revenue which is estimated to be worth US\$13.9Bn in 2022, with growth predicted to be 11% by 2027 according to a report from Medical Aesthetics Market. The larger and highly sophisticated markets of the United States (US\$4.3Bn - Precedence Research) and Brazil (US\$1.8Bn between them had the lion's share of the world's market which is expected to grow to almost €16Bn by 2025 and €46Bn by the end of the decade.

Spain's market in 2019 was worth €2.8Bn (+5.8%) on 2018, while according to a recent socio-economic impact study on the sector in Spain carried out by the Spanish Association of Medical Aesthetics, 4 out of very 10 Spaniards or 35.9% of the population have some kind of beauty treatment, and a study by Deloitte for the National Federation of Private Clinics found the sector is worth €8Bn worldwide of which Europe represents 42%.

Nevertheless, Portugal's market has grown at a more modest rate than other European markets and less than Greece, while many Portuguese opt to undertake treatments in neighbouring Spain despite the costs for the same treatments being higher.

"The Portuguese are quite conservative and reticent in all areas of health. They don't like changing their doctor, particularly if they are happy with them.







**“WHEN WE THOUGHT ABOUT THE INTERIOR DESIGN, WE WANTED CLIENTS TO FEEL COMFORTABLE AND RELAXED, TO TAKE ADVANTAGE OF ALL THE DIFFERENT TREATMENTS, GO THE GYM AND HAVE LUNCH ALL UNDER ONE ROOF WITHOUT HAVING TO LEAVE THE BUILDING.” DIONISIA FERREIRA, CO-PARTNER, OUSIA CLINIC.**

Then there is the typical characteristic that whatever comes from overseas is better,” says Dionisia Ferreira, adding that this attitude is changing among the younger generations.

“Obviously, when we look at Europe overall it is well below the growth seen in the United States and Brazil over the past few years, but what is interesting is that this growth is not in the plastic surgery segment, but rather in the non-invasive treatments areas,” says Dionisia Ferreira who, together with business partners Miguel Raposo and her husband Markus Kemper, have invested around €4 million in setting up Portugal’s most sophisticated aesthetics clinic to date.

And during the long months that refurbishment works had been going on, Dionisia has been working hard to build up a waiting list of potential clients so that when OUSIA CLINIC, which

opened in May, already has quite a full appointments book.

This investment is immediately apparent when you visit the 14 treatment rooms and see the sophisticated state-of-the-art digital software-operated equipment for LED photobiostimulation, hyperbaric oxygen therapy, Fotona 4D synergised non-invasive laser, radiofrequency and high-intensity focused ultrasound (HIFU) treatments, among others.

**THE TREND FOR LESS INVASIVE**

Dionisia Ferreira points out that the plastic surgery market has shrunk over the past two years by between 1-2%, while non-invasive and minimal invasive treatments have grown on average by between 10-18%, depending on the country.

“Up until now, most medical aesthetics clinics in Portugal were started from

the basis of plastic surgery as the core business model. OUSIA CLINIC is different because it has focused more on what its competitors in the market do not have. According to the latest trends, people want less mystery and more science; they don’t want to go under the knife, and increasingly they want treatments that are based on natural products,” explains the entrepreneur.

**GENESIS**

Dionisia Ferreira has a long track record of 16 years in finance, having worked for some of Portugal’s top banking establishments such as Barclays and Millennium BPC, before moving on to the Portuguese postal service CTT - Correios de Portugal to a C-level position, where she was, amongst other responsibilities, also responsible for the company’s privatisation in 2013,

which at the time was one of the biggest IPO flotations on the Euronext Lisbon stock market.

“Obviously working for 17 years in the banking sector has given me an advantage on how to manage banks and loan portfolios, starting off in branch management, becoming a commercial director by the age of 28 at BCP and the Managing Commercial Director at Barclays a few years later.

“I’d been working in these areas for such a long time that I felt I needed a change. I no longer wanted to work for other companies, and decided I wanted to open a business and work for myself,” she explains.

But going from finance to postal services and then to medical aesthetics is a radical change, which Dionisia puts down to “a sector that I like and which thoroughly interests me”.

“I was fascinated in part because it was an area about which I knew little. I, for obvious reasons, didn’t want to be a doctor, but wanted to get a better grasp of this world of medical aesthetics which seems so vast, but mostly how it inter-

links and blends with our interior world and our appearance.”

Like with several other entrepreneurs in Lisbon, the Covid-19 pandemic was a wake-up call for Dionisia to rethink her life and business.

“The idea came to me whilst I was on my way to a meeting in Lisbon. At the time I didn’t have the exact business model in mind, but I knew there had to be a market for a clinic that went beyond the traditional scalpel and beauty treatment models and procedures I knew.”







**“THE PORTUGUESE ARE CONSERVATIVE IN HEALTH. THERE IS THE TYPICAL CHARACTERISTIC THAT WHATEVER COMES FROM OVERSEAS IS BETTER, BUT THIS IS CHANGING WITH THE YOUNGER GENERATIONS.”**  
**DIONISIA FERREIRA, CO-PARTNER, OUSIA CLINIC.**



#### **A HOLISTIC APPROACH TO HEALTH AND WELLNESS**

Dionisia refers to a 360° holistic approach to health and wellness. “We all want to look good on the outside, but if we’re not eating the right foods, drinking the right amounts of fluids and we’re not happy and well in ourselves, that sadness will show through the eyes, posture and facial expressions even if we don’t have any wrinkles and look young.”

The entrepreneur points out that this has nothing really to do with a spiritual glow – although people who practice a particular faith can tend to be happier and less self-conscious –, but rather a phenomena that’s noticed by both men and women during the lockdowns of 2020 and 2021 and the widespread use of online meetings such as Teams and Zoom.

“People could see themselves and often didn’t like what they saw and rushed to make improvements. In fact, I know at least one other competitor in our area who said that their clinic had never done such brisk business in such a short period of time as when society was closed down due the Covid-19 pandemic,” she recalls.

Part of this, she says, has to do with our packed and busy rush-around lifestyles where we don’t have time to care for our appearance and how we look; time to even think about the dark circles under our eyes or the blemishes on our skin.

“We cannot be physically beautiful on the outside if we don’t take care of ourselves from within and this has to do with lifestyle, nutrition, sleep, exercise and mindfulness.”

In essence, the beauty concept that Dionisia and her team have developed starts with a basic and fundamental truth: beauty begins when you decide to be who you are and the very best version of who you can be. This means understanding a person’s identity on several levels: beauty, health, wellness, and mind.

#### **OUSIA - A BRAND THAT DEFINES THE ESSENCE OF WHO WE ARE**

The periods in lockdown enabled Dionisia to not only formulate the business plan but also design the core concept and the brand.

The name OUSIA CLINIC was chosen from the Greek word essence – Ουσία – because the concept is designed to help clients find their essential

essence of who they are, both outside and from an aesthetical standpoint.

“I first began working on the brand, and then in the first phase of Covid I stopped, put the project on the back burner, because I wondered if this was the right time to push the business forward, before realising it actually was,” Dionisia explains.

One strong point in the partnership’s favour is that both Miguel and Markus are “born entrepreneurs”, as Dionisia puts it.

A proven track record in terms of experience and knowledge was fundamental when carefully selecting the staff. OUSIA CLINIC currently has 24 professionals in order to provide all the aesthetic treatments and services at the best quality.

During the first Covid year in 2020, Dionisia took an intensive one-year Health Management course, both in person and online at Universidade NOVA, not just to learn the business side of running a clinic, but to understand how doctors and nurses think. “I think they are a class of people who are different when it comes to handling them within the context of the business on a daily basis.”

The entrepreneur also took the time to study the market and see what services they could offer and how they could be delivered in a way that was different from the competitors in the market.

Of course, after hiring the services of a consultant, the next step was to find a premises that was large enough to cater to the 35 different face treatments and therapies and 50 body treatments.

The choice fell on a large and well-appointed premises in the upmarket Restelo area of Lisbon, a stone’s throw away from the city’s iconic Torre de Belém landmark; a neighbourhood packed with upmarket mansions and international consulates and embassies.

The building covers 1,500 square metres and comprises three floors and an underground garage which can be used by customers.

Next came the design and finding an interior architect that specialised in hospitals and healthcare clinics. The choice fell on a design studio in Porto, Medd, which was founded in 2004 by Miguel Moura e Castro and today is a reference in Europe, particularly in France, in construction and refurbish-



ment projects in the health sector, including health centres and clinics, dental clinics and pharmacies.

“I told him I wanted a clean and open space where clients would feel good, with light colours and private areas with sofas as waiting areas all designed in such a way that if people were circulating in the main areas, the clients waiting for treatments would not be seen.”

I am given a guided tour of the premises. In the central area on the first floor I immediately notice how it is cleverly and tastefully divided with sofas and screens to give maximum discretion and privacy for those waiting for appointments. As we stroll along the corridors to the treatment rooms, I ask Dionisia what kind of beauty treatments she favours and how she manages to look so good.

“Today I’ve got no makeup on, in fact I hardly ever do. I’m careful with what I eat and take physical exercise. As for creams, I simply use moisturiser. However, I’m not a fundamentalist. When I want to eat something I fancy, which might not be low calorie or even that good for you, I do so, but in moderation,” says Dionisia.

I also ask her if it was challenging getting planning permission from Lisbon City Hall given the current stream of complaints from developers and opinion columnists, as the original building was designed as an office block and is a listed building because of its architectural merits — it was a candidate for the Valmor Prize in the category Honorary Mention. As a listed building it meant that the original façade had to be maintained. But getting





a change-of-use licence and refurbishing the interiors was relatively plain sailing.

“Of course we had to go through the whole set of procedures to turn this into a clinic, particularly to meet the requirements of the Directorate-General of Health. The latter was a more bureaucratic process, but from the conception of the clinic to opening it, we had 30 months to meet all the demands. Having said that, it is true that it is not easy to get a licence to open a clinic in Portugal,” she muses.

And indeed, there were a lot of things to think about in terms of regulations, such as air-conditioning, refrigeration, sterilisation, the circulation of patients, the length and width of the corridors, the configuration of the stairs, and the fire hazard safety requirements.

#### A NON-INVASIVE STRATEGY

Given that the aesthetics sector has generally grown by two digits worldwide over the past few years, with demand growing for non-invasive treatments,

Dionisia explains that this was in part because of advances in technology, which make invasive treatments involving surgery less necessary, and partly because people today would rather opt for non-scalpel procedures.

“Today, with the technology, you can do things that a couple of decades ago would have been impossible. For example, you can make a scar less visible using laser treatments or even create a lifting effect on the face. This means that having a traditional face lift involving surgery is no longer always required,” she points out.

Part of this is also to do with those people who have had cosmetic surgery in the past and may not have had a positive experience delivering the desired results. “Such clients obviously have some fears about plastic surgery,” Dionisia says.

And the technology is so advanced — some of it even uses Artificial Intelligence and sophisticated software — that the machines can work out skin types and suggest the correct treatment and within specific parameters.

#### NUTRITION AND FITNESS

OUSIA CLINIC has three nutritionists, each one qualified to design a tailor-made diet programme after one-to-one consultations. For example, one has the necessary experience to treat people with conditions such as diabetes, chronic kidney disease or autoimmune disorders. Another nutritionist has a specialisation in treating thyroid problems, and finally one who specialises in digestive conditions, as well as people who simply want to lose weight. Here, blood and DNA analyses will prove useful when designing a bespoke diet regime.

“This weight-loss diet can also be accompanied by an exercise and fitness regime in our own gym, accompanied by a fully qualified instructor and a lymphatic drainage massage, which can also help in cases where medical treatments, like chemotherapy or certain illnesses, block the lymphatic system,” Dionisia explains.

#### AESTHETIC AND POST-SURGERY MEDICAL TOURISM

Tourism represents around 12% of Portugal’s GDP, and one area of this market which has mushroomed in recent years is the concept of health tourism, and this means post-operative recovery and the whole range of different

aesthetic and physiotherapy treatments that OUSIA CLINIC provides.

When it comes to healthcare, Portugal inspires confidence and is increasingly sought after. For many people, Portuguese healthcare offers an excellent value-for-money alternative where the medical and rehabilitation care, kindness, climate, direct contact with nature and Portuguese hospitality makes for a rewarding experience.

“We do have clients who are or have been treated for cancer. Obviously, the patient must inform their medical consultant if they can undergo the therapy or not. One such treatment that has to do with well-being and helps considerably, even though it has not been totally clinically tested but is well studied, is oxygen therapy in our Hyperbaric Oxygen Chamber,” says the OUSIA CLINIC co-founder, adding that this treatment is particularly useful for treating several conditions.

Most illnesses and injuries occur in the tissue level, within the cells. In cases of non-healing wounds, strokes or problems with blood circulation, not enough oxygen can reach the affected area and, as a result, natural healing does not happen. Hyperbaric Oxygen Therapy provides an increase in oxygen naturally through 50-minute sessions and is excellent for anti-aging, accelerated post-surgery scar tissue production, stroke recovery, improved circulation and immunity, among a whole host of other benefits.

OUSIA CLINIC also has a specialist in osteopathy to help treat problems such as osteoporosis and osteopenia, as well as having a physiotherapist. Oxygen therapy also helps with healing fractures and torn, sprained and inflamed ligaments and muscles.

Other treatments are indicated for cellulite, treating flaccid skin and other dermatological problems, reducing abdominal flab, improving skin elasticity, reducing wrinkles and removing unsightly spider veins from the whites of the eyes using laser treatments.

OUSIA CLINIC has invested in the very latest state-of-the-art equipment and technological solutions that one would expect in much more advanced markets like the United States, and is staffed by highly qualified professionals in each treatment speciality.

“Of course we’ve set up in Lisbon, but we plan to expand to more cities in

Portugal. This will be our ‘flagship’ and first we have to consolidate our business model here, but we hope to be able to eventually expand nationally including the islands of Madeira and the Azores.”

#### TARGET MARKETS AND GOING FORWARD

According to the partners’ business case, 70% of clients are expected to be Portuguese and 30% overseas citizens. These foreigners will mostly be non-Portuguese nationals who are resident in Portugal.

At the moment, OUSIA CLINIC has Brazilians and some Spanish on its books, as well as Americans and a spattering of French clients. In terms of sex ratio, 70% are women and 30% men, although when they first opened their doors, the first clients were men.

Dionisia is also of the firm conviction that the Portuguese are no different to other nationalities in more developed markets in terms of medical aesthetics when they are well informed. “The Portuguese are equally or better aware than other nationalities.”

But in terms of clinics, she says the market is less developed in Portugal partly because of its size and smaller population. But those who do have the financial wherewithal to access these treatments, particularly the ‘Google it’ generation, she points out that they are all well gemmed up on the latest developments in aesthetic and wellness treatment options.

“We get people asking if we have a certain treatment or machine because they’ve heard about it in the UK or Brazil. People today are ‘in the know’ and much better informed than they were 10 years ago. It’s so different now there’s no comparison.

“Another thing I’ve learnt in this area, which was surprising to me, is that a person who is well informed really knows about it inside out, and when they want a specific treatment they’ve already researched it,” says the entrepreneur and founder of OUSIA CLINIC.

As to the future, Dionisia and her co-partners have ambitious plans, but first they want to establish the Lisbon venture before expanding in a sustainable way. ■

**“WE CANNOT BE PHYSICALLY BEAUTIFUL ON THE OUTSIDE IF WE DON’T TAKE CARE OF OURSELVES FROM WITHIN, AND THIS HAS TO DO WITH LIFESTYLE, NUTRITION, SLEEP, EXERCISE AND MINDFULNESS.”**  
**DIONISIA FERREIRA, CO-PARTNER, OUSIA CLINIC.**





# Euronext Lisbon riding the crest of a new wave of investors

The number of small investors dabbling in Lisbon's stock market Euronext Lisbon has grown from 4% a few years ago to 15% today. Technology has played a part, but also the flow of new overseas relocators to Portugal. Essential talks to Euronext Lisbon CEO Isabel Ucha and discovers why.

INTERVIEW AND PHOTOS: CHRIS GRAEME

**When I was growing up, few people in the general populace traded on the stock market and if they did, they went through a broker or solicitor. How has that changed?**

It's true in Europe, and more particularly in Portugal, that people have traditionally put their money in bank savings accounts which have low returns, so they don't diversify their capital and take advantage of the potentially more lucrative returns from investing in companies, either by buying shares which carry a dividend and can gain in value, or bonds which are less risky and offer a maturity and interest rate that is higher than deposits.

What we have been seeing over the last two or three years, in particular since the pandemic, is many new small investors, particularly Millennials and Gen Z, coming to the market since they had time to think about their savings in lockdown and to research opportunities online such as shares and bonds. This segment represented around 4% of the market three or four years ago but has now jumped up to 15%, with a continuing upward trend.

These new generations are keen to select their own stocks through their

smart phones, and because they are more literate financially and technologically savvy, this has resulted in more trading and brings more liquidity to the market.

**How far has the recent influx of foreigners to Portugal in recent years influenced small trading on Euronext Lisboa?**

The increase in relocators from overseas has definitely been positive for both Euronext Lisbon and the banks in terms of the volumes of stocks and bonds being traded; people who are investing in our capital markets through our banking system tend to be used to doing these kind of investments in the countries they came from.

I'd also like to add that banks are offering digital solutions which are more sophisticated than a few years ago. This is very important, since today people are used to using social media and bank digital applications, making investments much easier.

**How far is technology changing the face of trading?**

This is accelerating fast because now that we have Artificial Intelligence, this will enable platforms to provide a better understanding of the interests and needs of investors and offer them more tailored

solutions and choice of funds for these investors. Some companies like Google Finance already offer such solutions, but it will soon become widespread with the advent of bots or Chat GTP advisors that will give a clearer picture about which equities and bonds are suitable for you. This will be good for the investor, the companies in terms of liquidity, and the economy as a whole.

**What Portuguese companies should investors look out for? We've noted that Greenvolt and Jerónimo Martins are performing strongly and Luz Saúde is planning an IPO shortly.**

I can't give advice about any of our listed or potentially listed companies, but I can say a few general things. We have benchmark companies on the Euronext PSI-20 index that have been growing, some of which have an international footprint and which pay dividends to bond and shareholders. Some of these businesses have macroeconomic growth trends benefiting from that which have generated good returns. Another important aspect is sustainability and ESG (Environmental, Social and Corporate Governance) with a number of companies that have been progressing well with good scores. Greenvolt (a renewables



CEO Euronext Lisbon, Isabel Ucha





CEO Euronext Lisbon, Isabel Ucha

company in the centre of this transition) is a very good example of how a company is using the capital markets to finance their growth. Since they were listed two years ago, they have raised €250 million in equity and €250 million in bonds, and this money was used to invest in other companies in other geographies and internationalise.

We also have very good non-listed companies that could be very attractive for both Portuguese and overseas investors. We have noticed that every time we do an IPO, which means floating a company that has a solid business case, that is

growing and has good opportunities for growth in the future, and has credible management, both local and international investors come and invest. There's plenty of investors out there, but it's a question of companies being willing, ready and needing the capital markets as part of their growth strategy.

#### How do you help companies that want to raise capital?

We are always here to help companies that want to get listed regarding the steps they have to take, navigating the regulations, meeting the requirements, as

well as having dedicated IPO-ready programmes. Our comprehensive pre-IPO programme is designed specifically for businesses that are ready to take the next step towards going public. The six-month to one-year pre-IPO educational programme provides executives with the tools and insights they need to achieve their IPO successfully.

We also have a CRM-tool enhanced customer relation advisory service that helps companies to dialogue with investors and search for new investors from our vast database of investors, from where you can search by type of investors, sector and category. This database and the intel attached to it can help listed companies have a better investor base. If you have a larger and more diversified investor base, you will naturally attract more liquidity, have better stock, and at a better price.

#### Euronext Lisbon has outperformed the other stock markets within your group. How do you account for that?

There are two indicators in which Euronext Lisbon had performed better than its sister companies over the last two years: the PSI Index has performed better than the average index in the Euronext markets, and the volumes traded have increased much more than the volumes traded in those markets.

The reason why volumes have increased in Portugal is the influx of international people and with it a new wave of retail investors. Portugal has a strong tradition of share and bond retail investors. Confidence was adversely affected by some market difficulties, such as the collapse of Banco Espírito Santo in 2014, which scared away local investors, but now small investors are returning.

#### How did the various crises that hit Portugal directly and indirectly from 2007 to 2014 affect Euronext Lisbon? Many companies left Euronext.

The historical trend of having fewer listed companies over the past 25 years

is not confined to Portugal. We have seen this in the US, in Europe in general, and in the UK. This was for several reasons, the main being that there was a significant number of companies involved in mergers and acquisitions. This also happened in Portugal which took some companies out of the market, but we also unfortunately had a few companies that were large and visible that failed both because of the financial crisis in 2008 and for other Portugal-specific reasons.

Having said that, if you look at the market capitalisation of the current listed companies in terms of percentage of GDP, it is not very different from other European countries of the same size, and is quite significant at around 30%. It's not ideal since in the US that ratio would be closer to 100%, so we have a lot of space to grow.

One of the reasons the percentage is lower than in the US is our pensions systems. The Netherlands and the UK are the two exception countries in Europe where people have to save for their own pensions in a hybrid private-public system. That creates a pool of savings which are invested in capital markets by the professional managers of these pension funds in order to keep the value of the pensions for the future, generate revenue, and so maximise the value of the pensions they will have to pay in the future.

In the other European countries, you receive as you pay, so taxes are financing the current pensions. My view is that there would be an enormous benefit in changing this system, not only because of the positive impact on the capital markets, companies and investment, but also because with a falling birth rate and higher proportion of elderly, there is no way of financing full pensions as we have today. Savings and investments are what makes a country grow; if you don't have savings then you don't have investment.

#### How difficult is it for a Portuguese company to access capital?

It's not necessarily difficult for a Portuguese company to access capital, as

**"WE HAVE EXAMPLES IN THE US AND EUROPE OF COMPANIES THAT HAVE GROWN THANKS TO THE CAPITAL MARKETS. IF WE WANT PORTUGAL TO GROW MORE, WE WOULD BENEFIT FROM HAVING MORE COMPANIES USING THE CAPITAL MARKETS TO DO SO." CEO EURONEXT, ISABEL UCHA.**

Greenvolt found when it was able to raise both national and international capital because it was a good business with good prospects. It has also not been a limitation for many other Portuguese companies. There was some capital destruction in some periods of our recent history, but saying we don't have access to capital is not really true.

First, we have a lot of savings that we can't put to work in the capital markets, but when there are good companies and intermediaries like Euronext Lisbon to help market these companies with local investors, and because of the global characteristics of today's capital markets, they can access capital. If you look at the capital shareholder base of other listed Portuguese companies, from EDP to Mota Engil, you will find a lot of international investors such as pension and investment funds, and others.

What you can see is that from the trading in Portuguese companies that goes through our platforms, 80% comes from international sources such as global banks, some of which don't even have offices in Portugal. That means that the

final investors who are investing in buying and selling the stocks are doing so on the international capital markets.

#### What nationalities are the main investors on Euronext Lisbon?

The feedback we're getting from brokers is a significant number of US and Brazilian investors, but also French and Belgian; investors from countries that have very high tax rates because we have competitive rates for foreign investors through the NHR tax regime and Golden Visa. I think what is important for all these tax regimes is for governments to keep them consistent and stable over long periods. The problem here in Portugal is that we don't have a consistent, stable tax system. One good thing about financial investment is that the international investors are not taxed in Portugal, only in their own jurisdictions.

#### What two important messages would you like to impart about the capital markets in Portugal?

One message for CEOs, entrepreneurs, companies and their managers is that if you look at the companies that have been growing the most and have been most successful in the 21st century, like Google and Amazon, they are all listed companies and have all financed their growth through capital market transactions and financing, either by issuing capital or bonds, or other types of instruments. We have examples in the US and Europe of companies that have grown thanks to the capital markets. If we want Portugal to grow more, we would benefit from having more companies using the capital markets to do so.

The other important message is for individual investors and citizens around the world who have savings; they should look better at how they invest their savings and understand that the only entities that generate value are companies. If they don't invest their savings in companies, they will not optimise the returns that they can have in the medium to long terms. ■





São Roque Bottle

# Lisbon Arts and Antiques Fair 2023

## a blend of the sacred, the classic and the contemporary

**LAAF – Lisbon Art & Antiques Fair, organised by the Portuguese Association of Antique Dealers, returned to the Cordoaria Nacional in May. Essential Business spoke to some of the dealers about the sector in Portugal.**

TEXT AND PHOTOS **CHRIS GRAEME**  
PHOTOS **SUPPLIED**

Like designer pieces from the 1960s and 1970s, they're so much bolder and creative," reflects Isabel Lopes da Silva, the current President of the Portuguese Association of Antique Dealers (Associação Portuguesa de Antiquários - APA) at the opening of the 20th edition of the Lisbon Art and Antiques Fair (LAAF) 2023.

"It's a bit of a misnomer, because our formula for success is to incorporate not just Portuguese antique dealers but also traders and creators of contemporary design pieces, which seems to have been a most successful formula," says the seller of fine designer jewellery and table pieces who has a smart shop in Rua da Escola Politécnica in Lisbon, in between



Isabel Lopes da Silva, President of the Portuguese Association of Antique Dealers (APA)

talking to a wealthy Brazilian customer attracted to some 1960s designer silverware with a €4,000 price tag.

In fact, everything at the annual fair, which ran in May, has an expensive price tag — this is not like some flea market at Feira da Ladra or regional antiques centre you'd find in Scunthorpe, UK; this is a sophisticated and classy affair with top-quality and often one-off original pieces, on display at the expensive-looking stalls bathed by discreet golden museum lighting along the central corridor covered in French bleu royale carpet at the Cordoaria Nacional, near Lisbon's Belém district.

I am immediately attracted by a gold and enamel jewellery set with diamonds

and rubies with leopard heads, and comment how Art Deco and Cartier they look, and reminiscent of pieces from the Duchess of Windsor's jewellery collection, only to be informed that it was in fact designed by the Italian 'zoology' jeweller Pierino Frascarolo from the 1960s, whose animal-inspired pieces regularly fetch €10,000 and above at auction houses like Christie's.

The former mathematician, who developed a love of art and design pieces for the "beauty of their symmetry and poetry" as much as the precious metals and stones they contain ("after all, isn't everything maths?"), says that many of her buyers are from overseas, and some of them come expressly to Lisbon to buy from Isabel's shop.

Isabel doesn't like the 1980s designs for jewellery, which of course was slammed as 'de trop' and tasteless in the 1990s, but that may be a sense of personal taste now that the abstract design pieces in yellow gold and brightly coloured stones is back in fashion with auction house Bonhams reports a surge in customers paying above estimate prices for the over-the-top jewellery.

Unlike some of the designers at the fair, Isabel doesn't create the pieces she sells herself; she does make alterations where necessary for clients, and there is a certain coherence in terms of era, design and boldness in what she buys, in what she calls "catering to a niche market" as she shows me around a scrumptious assortment of glittering bijou gorgeousness sparkling in cabinets.

"My market is really specific," she admits, and says that the influx of foreigners to Lisbon over the past few years had done nothing to hurt her business, but stresses that overseas buyers are not her main market and that she has always had a lot of Portuguese customers.

While Isabel says the world of antiques, art and contemporary art in Portugal is not always very united — she has sat on the committee of the APA for many years —, she explains that the goal is to open up the market as much as possible to a wider public; not just to the antiques market, but also to contemporary art and design. She even wants to bring fashion design into the mix to cover all of the arts, which she thinks is essential since the antiques market on its own is very small in Portugal and a large fair



Mário Roque - São Roque, Antiques &amp; Art Gallery

needs a broader range of pieces in different styles, mediums, and from different epochs, both ancient and modern, in order for the fair to work.

### SÃO ROQUE - MIXING ART WITH EDUCATION

I then move on to stand 30 and São Roque, Antiquidades & Galeria de Arte, which features a beautiful collection of Indo-Portuguese pieces that reflect the wealth and riches commissioned and traded from trading outposts in India and Asia in the late 16th and 17th centuries, when Portugal 'discovered' half the world and Lisbon was one of the main commercial cities and centres of art.

The pièce de résistance at this sumptuous stall, which to all intents and purposes mimics the same kind of Baroque and sacred elegance seen in the actual store at Rua de São Bento in Lisbon, just a stone's throw away from the Portuguese parliament building, is the pair of terrines which are fashioned into the heads of wild boar. These remarkable pieces were designed by Tomás Brunetto between 1767 and 1771 at the Real Fábrica do Rato (Royal China and Porcelain Works).

I spoke to founder Mário Roque, who is a well-known figure in Portugal on the antiques scene and whose website sports the slogan "This is the sea that I have for you to see" ('Este é o mar que tenho para vos mostrar').

For 30 years, São Roque has carefully selected top pieces of art from furniture and tapestries to painting and table pieces. In that time, it has become a reference not only for collectors, but also international museums which today have an important role in the art and antiques market both in Portugal and overseas.

"Today, São Roque has two large antique shops in São Bento, Lisbon, but we have a vision that is somewhat different to antique shops. Apart from the commercial side, we also organise a series of events linked to art including conferences and even traineeships for budding artists at the Lisbon School of Fine Arts," he says.

"We have various partnerships with museums, two exhibitions overseas at TEFAF Maastricht [March 11-19] (as well as the exhibition Around the World - The Portuguese Empire in the 16th and 17th centuries), while in 2022 we were



very much in evidence at the Fine Arts & La Biennale 2022 in Paris,” he adds.

This unique approach, which involves seminars and conferences, has enabled São Roque to attract a broader public, not only because of this singular and eclectic concept which involves striking pieces from various periods, particularly Portuguese porcelain works. Like Isabel Lopes da Silva, Mário Roque also did not start off in the antiques business, having originally been a doctor by profession.

Over the years he has dealt with a paintings by Chagall, Miró, the famous Franco-Hungarian artist Arpad Szenes and Portuguese artist Paula Rego, to name but a few big international names of the 20th-century art scene.

“These exhibitions were important because we wanted to educate the wider international public about Portuguese art, as we realised after attending some of these International fairs that no one knew much about Portuguese art.”

“We also have an increasing number of foreigners who come into our shops in Lisbon and who say ‘we’ve come to Portugal because we liked your lectures at TEFAF and we learnt so much about Portuguese antiques’,” he explains, adding that today it has to be a blend of commercial and educational events.

“I think the general public in Portugal is becoming increasingly knowledgeable about art and antiques, but the market is somewhat on ‘standby’ since the driver

here in Portugal is very much contemporary art at present”, he adds.

#### **GALERIA BESSA PEREIRA - AN ECLECTIC MIX BETWEEN THE ANCIENT AND MODERN**

I then delve deeper into this temple of treasures and discover Galeria Bessa Pereira - Fine Art and Furniture (Lisbon-Milan) and chat with its founder Carlos Bessa Pereira, who also happens to have a well-appointed shop on Lisbon’s Rua de São Bento.

Here we have an eclectic collection of pieces including a 1950s Pierre Jeanneret committee chair in teak and leather, a 1970s Lumenform lamp in chrome and steel from Italy, and a beautiful Regence (not to be confused with English Regency) desk from the second half of the 19th century in rosewood and mahogany.

Carlos came into the business later than some of the people we interviewed, having set up shop 10 years ago.

“I got into dealing because initially I had been a collector and then became the owner of a gallery. I gave up being a collector because I just couldn’t manage doing the two things at the same time,” he says, adding that collectors generally save the best pieces for themselves, but the gallery owner had to keep the best pieces for its clients and so there was a conflict of interest.

“While we are collectors, we think we have to hold on to a piece because we’ll

**“WHILE WE ARE COLLECTORS, WE THINK WE HAVE TO HOLD ON TO A PIECE BECAUSE WE’LL NEVER FIND ANOTHER LIKE IT; AS A DEALER WE HAVE TO THINK THAT WE’LL ALWAYS FIND ANOTHER PIECE THAT IS BETTER THAN THE ONE WE’RE SELLING, AND THAT’S HOW YOU HAVE TO THINK ABOUT IT.” CARLOS BESSA PEREIRA, FOUNDER, GALERIA BESSA PEREIRA.**

never find another like it; as a dealer we have to think that we’ll always find another piece that is better than the one we’re selling, and that’s how you have to think about it,” he adds.

I am immediately drawn to some classical stone work including a reclining figure that I believe to be Roman but in fact is Etruscan – the Etruscan civilisation was developed by a people of Etruria in ancient Italy with a common language and culture who formed a federation of city-states. After conquering adjacent lands, its territory covered, at its greatest extent, roughly what is now Tuscany, western Umbria and northern Lazio, as well as what are now the Po Valley, Emilia-Romagna, south-eastern Lombardy, southern Veneto, and western Campania. They were conquered and absorbed by the Romans.

Another piece dates from 100 years BC, while there is also a piece from Yemen – one of the oldest centres of civilization in the world – which is even older. Between the 9th century BC and the 6th century AD, it was part of the Sabaeen, Awsanian, Minaean, Qatabanian, Hadhramawtian, Himyarite and some other kingdoms, which controlled the lucrative spice trade.

“We think of art as transversal and we don’t have stylistic or period barriers; basically we are motivated by a passion for art and ideally we believe that each person who likes art should be able to build their own internal narrative.



Artur Miranda & Jacques Bec, OITOEMPONTO

“I personally like pieces from antiquity to the contemporary and have built a gallery around this, while always seeking a dialogue between the various pieces that we sell,” explains Carlos.

#### **OITOEMPONTO - CONTEMPORARY PRODUCTION WITH AN ART DECO AND 1950’S BRAZILIAN INFLUENCE**

For those who admire contemporary 20th and 21st-century design, Porto-based Oitoemponto provides a window onto fine furniture pieces, including a beautiful tableware cabinet in African teak, white lacquer, brass and glass mounted on a forest green base, and a simple table centre system by Moss Architects (2009), originally commissioned for Johnson Trading Gallery in the US and fashioned in black anodised aluminium.

“We focus on contemporary production,” says Jacques Beck, who founded the company 30 years ago with his business partner Artur Miranda. “While we are well known in Portugal, we mostly work for overseas clients on interior architectural and design projects, but we do have a lot of vintage pieces which we buy from all over the world.”

Artur Miranda explains that as antique dealers, they specialise in pieces from the 20th century and contemporary design, while for the interior design part of their business, they design and

produce their own exclusive pieces. Both dealers work mostly with private clients, but also do a lot of work for the interiors of premises in the hotels and hospitality sector and have just completed a project for the Hotel Ritz in Lisbon, where they redesigned the rooms with interior architects Vector Mais.

In the first phase of the restoration of the rooms, which was begun in 2020, Oitoemponto was responsible for designing 73 rooms and 11 suites. The talented duo are also responsible for the interior design of the Monumental Palace Hotel in Porto, which features stunning Art Deco-inspired interior designs in the

bedrooms, looking like a muted version of Cedric Gibbons film sets with the only thing missing being a 1920s jazz baby elegantly draped over the bed.

The pair have also just finished the interior designs of the large cruise ship World Navigator, with 100 cabins, for Atlas Ocean Voyages.

But it is clear looking at all their designs, both for interiors and furniture, that the clean lines and bold geometric shapes that mark their work echo the glamorous Art Deco 1920s and 1930s while using lacquer, marquetry and rare woods in their pieces, some of which pay tribute to the Brazilian masters of architecture from the 1950s and ’60s, revisiting their vocabulary with a contemporary approach.

The pieces come with a hefty price tag, with an Oitoemponto ‘Artur’ Armchair costing a cool €13,310, while a ‘Paulo’ sideboard will set you back over €30,000 — the price of a sizeable down-payment on a mortgage.

“A lot of the pieces that are commissioned from us never get published in magazines or appear on our website. They adorn private homes of the affluent discerning collector and are never seen by those outside the family and close friends of these patrons,” they admit. “We’ve done some amazing projects in Portugal for private clients who don’t even allow us to take our own photos of the works we’ve designed for them in high resolution, because they are afraid they will be disseminated in newspapers, magazines or on the internet,” Artur Miranda concludes. ■

Carlos Bessa Pereira, founder Galeria Bessa Pereira



Vanessa Beecroft, US Navy Seals





# Aatif Hassan from school troublemaker to educator

**Judging by his school record, it was highly improbable that Aatif Hassan would become an educator. But an educator he became, and today he manages one of the UK's most successful private education groups – Dukes Education –, which now has two projects in Portugal.**

TEXT **CHRIS GRAEME**  
PHOTO **ISS**



**O**n first examination, Aatif Hassan, the founder of Dukes Education, has a rather interesting and unlikely background for an educator, to say the least.

“I’m not an educator at all,” he admits. His own educational accolade was being born slightly disabled, going through a traumatic early life, losing his mother when he was six, and being homeless for two years.

At school he was severely dyslexic and suffered from ADHD – often undiagnosed at that time. His disruptive behaviour in class would have stood him in better stead for a starring role in the popular UK comprehensive school soap ‘Grange Hill’ than the role of a man who has masterminded the success of a family of top-quality private schools.

The Dukes founder proudly admits his only educational achievement was

“being thrown out of my school in London at the age of 12”.

“I understand better than many people the value of an education. When I was 12, my father spent everything he had by investing his wealth in sending me to an independent school, where I was nurtured and supported, and my energies were channelled so that when I left, I did so with educational qualifications,” he says.

Aatif Hassan, aged 44, went on to play national rugby for England and joined the British armed forces for which he served in two elite regiments in some “complicated situations”. Finally, he went to university and graduated with a 1st-class degree in Mathematics before working in the city of London as a markets trader, and at the age of 35, after a very traumatic triple car accident, he decided to retire from the city and focus on education.

That focus has more recently turned to Portugal. It began in November last year when Dukes Education announced it was partnering with the United Lisbon International School (ULIS), which was founded by Chitra and Roman Stern of the Martinhal Group in Portugal, after the recognition that an international school in the city of Lisbon was urgently needed to enhance foreign direct investment.

This year it announced that it would be investing in a controlling share —

neither the investment nor the exact share have been disclosed — of the International Sharing School (ISS), a family-based school in Oeiras near the Portuguese capital Lisbon that was created by families to serve families all around the world. It has partnered with the UK-based education group to consolidate and enhance the educational and facilities offer it provides for its 700 pupils.

In fact, investing in schools with equity so that they can grow is what Dukes Education does best, without inferring too directly in the philosophy of the schools or the way they are run, except to improve and help.

ISS CEO Miguel Ladeira Santos says: “When we created ISS four years ago, we never did so with the intention to partner with another group. We very quickly identified a space within the international schools sector to do something different, and we were quite creative and redesigned the facilities that we had which started off as a microchip factory, and transformed it into a state-of-the-art education and learning centre. We have grown very fast and successfully achieved what we set out to do” for the first phase of development.

## PRESERVING VALUES

It was from this precept that ISS began talking to different international educational groups that were looking into investing in international schools or were already in Portugal, and examined the potential added value of working and partnering with one of these private education groups.

“Our main concern as a family school is to preserve our set of values — caring, sharing, multiculturalism, and hospitality —, not just as educators, but as people who are very important to us, values that came from our parents and are practised by all of the team. Everyone at the Sharing Schools [the family has two schools; one in Madeira and the Oeiras site] — the management, teachers and students — share the same values and vision,” continues Miguel Santos.

“We saw in Dukes Education a reputable group with state-of-the-art schools

that is a reference at what they do, whether in the creative, academic or special needs spheres. They are the best at what they do, and we are the best at what we do, so it makes sense to partner with this group,” explains the ISS CEO.

Santos insists that the International Sharing School will be more international going forward, and stressed that Dukes was partnering and not taking over the school; there would be no big structure changes to the curriculum, staff or management that had not already been planned — including the hiring of a new principal. Rather, quite the opposite: the partnership will allow for existing plans to be enhanced so that they can be achieved in a shorter space of time.

## HAVING A PURPOSE

“I am one of those crazy people who wake up in the morning and know I’ve found my purpose. I love working with young people and see no better role than in serving children. I do that not as a teacher — although I do teach politics, economics and mathematics —, but by serving the boards that I support,” reflects the Dukes founder.

Aatif reveals that Dukes was founded to be “anti-establishment”, because his feeling was that the other education groups had become “too corporate and large and had lost the essence of the child”. “What keeps me humble is going into the classroom visiting the teachers and children and interacting.”

And continued: “Children have this amazing and unique innocence and an ability to change the world, and my belief is that if we can nurture their time and energies in the most diverse way, we can really transform the world.”

Dukes Education has an impressive portfolio of 30 private schools, mostly in London. It has Hampstead Fine Arts College, widely regarded as the top college in London for fine, visual and performing arts.

There is also the Copperfield International School Verbier – the world’s first ski-in, ski-out school offering three of the world’s best academic programmes for international schools, including the

International Baccalaureate Primary Years Programme and the Cambridge IGCSE. “We have national skiing champions at the school, who as well as getting an IB education are on the slopes morning and afternoon.”

## CREATING A LEGACY

Aatif Hassan says Dukes’ real ambition is to create a legacy, to create a brand and support International Sharing School, United Lisbon International School and all other brands in its portfolio to be the very best version of themselves by bringing these schools together in a collaborative way, with the best in-house teacher training programmes so that teachers can share and access almost 300 different programmes in a project that is totally unique.

The latest partnership with ISS involves supporting the current family’s setup without changing the name, the staff, education model or business plan. However, Dukes will challenge the team to develop and be the very best they can.

“We will act as a critical friend and someone behind the scenes. It is still ISS but with a new member of the ‘family’, both partners committed to the children and in delivering the very best education while developing and building the ISS brand,” Aatif Hassan reassures.

Miguel Santos explains that, as a partnership, Dukes have become co-owners with ISS with all the medium to long-term benefits of a better structure and enhanced resources; more efficient and capable, and with more teachers. “We are in better condition to attract the best teachers, and being part of a network of schools like Dukes will be another added value for attracting teachers as well as the financial packages.”

“The reason we chose to partner with Dukes Education rather than any other group is because our family is here for the long term, and to develop the school and its structure, we want to partner with the right people. With Dukes Education, we believe we have succeeded,” concluded the CEO of the International Sharing School, Miguel Ladeira Santos. ■



# Portuguese education what's going on?

**Portugal's education system is broken, out of date and not fit for purpose to meet the technology challenges of a world in which AI, automation, digitisation, coding, blockchain, robotics and cybertechnology are transforming our lives and will dominate the workplace. At the Global Economy Conference organised by the American Club of Lisbon, educational expert Pedro Santa Clara explained why.**

INTERVIEW AND PHOTOS: CHRIS GRAEME

Education in Portugal has gone through a great transformation over the past four decades. At the beginning of the 1980s, only 6.4% of the population over 15 years old had completed secondary education.

The average number of school years completed in the Portuguese population was just five. In 2022, 44% of the population between 25-34 years have a university degree, slightly higher than the EU average which is 42%. "This is nothing short of amazing," admits educationalist Pedro Santa Clara.

"The puzzle is that we don't see this increase in education translating into productivity numbers. Over the past two decades since 2000, Portugal's productivity only grew by a dismal 7% and GDP increased by only 10% which is appalling."

Even more puzzling, he says, is that over the past two decades, the highest increases in salaries were among the least educated in the Portuguese population because successive governments have increased the minimum wage.

And workers with higher education degrees, he points out, have suffered a real salary reduction of 7.7% in Portugal between 2006 and 2020.

In other words, Portugal has gone from being a low education country at the start of the 1980s to a high education country within the span of 40 years, yet there had not been a corresponding increase in company productivity, GDP growth, or the salaries of qualified workers. "There has got to be a problem here," he admits.



Educator, Pedro Santa Clara

## EXPENSIVE AND ELITIST EDUCATION

Pedro Santa Clara says the first problem is that education in Portugal is expensive. In the public schools system, it costs between €6,000-€8,000 to educate a student from the 1-12 mandatory grades per annum. Totting that up, educating a pupil in Portugal costs around €100,000. "It's actually more expensive than most private schools, with the exception of the international schools."

Education in Portugal, apart from being very expensive, is also very elitist. From the age of 15, there is a two-year school gap between the 25% of the population that is wealthiest, that has the highest incomes, and the 25% of the poorest. By comparison, in the UK it would be one year.

What that means is children from disadvantaged households tend to do worse at school. This is not surprising, but what is is the magnitude of this disadvantage gap in Portugal, twice the gap in the UK, hardly a country seen for equality and levelling up in education terms.

And although 50% of young people go on to university or higher education, if the pupil comes from the poorest section of society, particularly those families where the parents did not go to university themselves, the figure is only 10%.

"Our social elevator is broken and has stopped between the ground and first floor, and this should be a cause for concern."

## HUGE DROP-OUT RATES

Portugal's universities suffer from huge drop-out rates, even at those universities that have very high GPAs (the Grade Point Average is a calculation of average grade or result. This can be calculated on a yearly basis, or for a course as a whole. It is calculated on the following basis: each result is assigned a number known as the grade point).

"At the entrance level, it is not uncommon to have drop-out rates of 40-50%. This is incompetence, yet some very famous universities seem to pride themselves on it because they say their standards are so high that half of the students give up," says Pedro Santa Clara.

It is true that Portugal is fortunate in having close to full employment, with unemployment at just 6-7%; one of the

best rates for many years. However, youth unemployment is still above 20%. This means the highest and best educated generation of young people in Portugal's history suffers from a 20% unemployment rate.

About 55,000 students graduate from Portuguese universities and higher education establishments per year, but 23,000 graduates (40%) leave Portugal to take up jobs overseas that offer better pay, conditions and opportunities for career growth. "This really is appalling and is a sign of despair," says Santa Clara.

And continues: "Portuguese workers are much more productive working in foreign countries and in foreign companies than they are in Portugal and even when working for foreign companies in Portugal." The question is why?

## EDUCATION SYSTEM STUCK IN THE 19TH CENTURY

Clara says there is something wrong with the way Portuguese companies are run and their management structure, partly because the managers in Portuguese companies are much less educated than the staff they employ. "We need a change of generation to improve the way management functions and the way work is organised in our companies."

While it may take a few years to change, the most important reforms need to be at an educational level. Clara says that Portugal is still stuck in an educational model that dates from the late 18th century and influenced by the Prussian education system.

The system of education established in Prussia was a result of educational reforms in the late 18th and early 19th century, which has had widespread influence since. It remained an important consideration in accounting for modern nation-building projects and their consequences. In Portugal, this was mingled with the Jesuit schools education philosophy.

"It means the students go from class to class, to different subjects, and are lectured to. The only problem with this system is that over 90% of what is taught is not remembered and this is horrible from a pedagogic point of view, but we've known it isn't fit for purpose today for a long time," explains Pedro Santa Clara.

The Swiss educational psychologist and cognitive development pioneer Jean Piaget realised 100 years ago that children's intelligence undergoes changes as they grow. Cognitive development in children is not only related to acquiring knowledge; children need to build or develop a mental model of their surrounding world (Miller, 2011).

"Sitting in on a class is the most inefficient use of educational time with the typical retention rate of about 5%. In other words, if someone asks the student one week after the class what they learned, he or she will remember almost nothing."

## 42 PROJECT

The good news is that things are changing, and Pedro Santa Clara points to the success of the 42 projects in Lisbon and Porto which he has been involved in setting up in Portugal and heads in Porto. The project in Lisbon is sponsored by Vanguard Properties, the largest luxury residential developer in Portugal.

Founded in Paris in 2013, today, 42 has more than 15,000 students in 25 countries, and is recognised as one of the best coding schools worldwide.

Learning at 42 is entirely free of charge and doesn't require any academic

degree or coding experience. You only have to be at least 17 years old to apply.

The school's practical approach, based on peer-to-peer collaboration, guarantees both excellent technical training and the development of valuable soft skills, such as the ability to work in teams, problem-solving, adaptation, determination, and resilience.

Pedro Santa Clara is also involved in other new projects including as the director of the TUMO Centre for Creative Technologies in Coimbra, which is a free-of-charge educational program that puts teens in charge of their own learning and comprises self-learning activities, workshops and project labs that revolve around 14 learning targets. There are plans to eventually expand the number of TUMO centres to other Portuguese cities.

"Our goal for the project is to equip young people to better deal with the challenges and opportunities of the world of work and living in society. At TUMO Coimbra, we have 1,500 young people signed up between 12-18 years that will acquire skills in eight theme areas which interlink technology and creativity: 3D Modelling, Animation, Games Developing, Programming, Music, Graphic Design, Cinema and Robotics," concludes the education specialist and economist. ■

L-R: BBVA Head of Asset Management, Jorge Botelho, CEO Euronext, Isabel Ucha, ACL President, Patrick Siegler-Lathrop, and Educator, Pedro Santa Clara.





# Algarve tourism Challenges and opportunities

A plethora of challenges and opportunities in selling the Algarve region as the preeminent place in Europe to relocate, live, work and visit topped the agenda at the second Ireland Portugal Business Network (IPBN) Tourism Conference, which took place at the Clubhouse at Quinta do Lago resort in the Algarve on May 24.

TEXT: **CHRIS GRAEME**  
PHOTOS: **IPBN**



Tourism Resort Development Trends: Alda Filipe - Managing Director - Kronos Homes (Vale do Lobo); Katya Bauval - Executive Director of Sales - Vila Vita Parc Resort & Spa; Sean Moriarty - CEO - Quinta do Lago; Moderator - Sharon farrell - Chair IPBN Algarve

“WE HAD A PROBLEM WITH ILLEGAL BEDS BEFORE AL; ALL THE APARTMENTS HAD STICKERS IN THE WINDOWS OFFERING ROOMS AND IT WAS OUTSIDE OF CONTROLLED BUSINESS REGARDING TAXES.” HÉLDER MARTINS, PRESIDENT OF AHETA.

At this well-attended edition, the hot topic was the region’s tourism recovery in the post-Covid period and why holidaymakers should visit the Algarve this summer.

Two of the keynote speakers were Sean Moriarty, CEO of Quinta do Lago, and Hélder Martins, President of the Association of Algarve Hotels and Tourism Developments (AHETA – Associação dos Hotéis e Empreendimentos Turísticos do Algarve). Richard Clingen, owner and CEO of The Portugal News also gave an overview of his media business and its investment and expansion over the past two years.

Hélder Martins, President of AHETA, pointed out just how much the Algarve has changed from his youth, when the world-class tourism region was only a tourist destination on the south side of the 125 highway that meanders along the coast.

The Association was founded 27 years ago and today works closely with the tourist board Turismo do Algarve and the Algarve Tourism Association (Associação Turismo do Algarve - ATA) and many government departments.

“We all, public and private, have something in common. We love the Algarve; it is the best place in the world to live and work,” he said.

## LOCAL ACCOMMODATION A SUCCESS

The Algarve currently has around 131,000 legally registered beds in hotels and resorts. Since 2007 to the present, Local Accommodation (AL - rented tourism accommodation) has mushroomed and there are more beds in this segment than in hotels and resorts (208,000).

“We had a problem with illegal beds before AL; all the apartments had stickers in the windows offering rooms



and it was outside of controlled business regarding taxes,” said Martins.

This was why, he said, the government, the private sector and the municipal councils decided to legalise and regulate it, and the owners accepted. He added that Portugal’s housing crisis would not be solved by clamping down on Local Accommodation, with a nod to the Portuguese Government’s recent crack-down on issuing licences to run AL establishments on the grounds that it was fuelling house price speculation and contributing to a lack of affordable housing for locals.

On comparing the Algarve to other regions for both hotels and AL, the Algarve tops the list (131,000 and 208,000 respectively), followed by Lisbon (95,000 and 170,000), and then the North (81,000 and 112,000), Centre (65,000 and 82,000), and Madeira and Azores (56,000 combined) in terms of tourist numbers. The numbers follow a similar pattern for Local Accommodation.

In terms of tourist bookings per municipality in the region, Albufeira comes first (44,000), followed by Loulé (nearly 18,000), and Portimão in third place (+16,000).

“Today we have options from one side of the coast to the other and inland, which wasn’t the case in the past.”

## COUNTERING SEASONALITY

As to occupancy rates, Hélder Martins said the challenge was seasonality and low bookings at the start and end of the year, and both the public and private sectors “need to work together to reduce the problem”.

“We have had some success with Irish visitors with good occupancy levels, but we haven’t returned to pre-pandemic levels in terms of number of nights booked, but we are expecting a very good season in 2023.” (ROR 2022: 93% in August/32% in December).

Regarding golf resorts, the number of holes has not increased since 2012 (684),





Wellness & Healthcare Tourism: Elaine Godley – The Perfect Health HUB – Health and Wellbeing Mentor; Carlos Justino – TLC Medical Tourism; Prof. Joana Apolónio – Researcher & Scientific Project Manager – Algarve Bio Medical Center; Moderator – Andy O'Donoghue – Technology, Broadcaster and Columnist

but will increase this year with the Ombria Resort. “I am a director of Ombria and it has taken over 30 years to get planning permission. They deserve a trophy.”

“Today we have golf courses from one side of the Algarve to the other which is very important for the Algarve and for business and for countering seasonality,” said Martins.

Meetings and conferences was another important area for the low season, with facilities in Vilamoura and Albufeira, as well as sports and leisure facilities such as the autodrome (Moto GP) and several water amusement parks for families.

These attractions and sports facilities include Slide & Splash, Aqualand, Zoomarine, Aquashow, Autodrome International Algarve, Arade Congress Centre, and the Palácio de Congressos.

Marinas, said Martins, were another way to counter seasonality, with marinas in Vilamoura, Portimão and Olhão increasing the number of mooring places. “We need more marinas in the Algarve but getting planning permission is very difficult.”

**TAP FAILING TO SERVE THE REGION**

Faro airport was all-important for the destination and is working closely with both the AHETA and Turismo do Algarve to increase passengers numbers (8.17 million in 2022, almost 4 million from the UK and 700,000 from Ireland) and improve the number of services.

But while Faro had lots of airlines serving it, such as easyJet (seats:18.2%) and Ryanair (seats: 34.9%), the national airline TAP, despite considerable public investment, “somehow doesn’t count” (only 5.3% of seats), and “perhaps if TAP gives some of its slots to other carriers, things will improve” (seats: Air Lingus 2.5%).

Hélder Martins also stressed the importance of the US market which has increased, yet there are no flights from the US to the Algarve. “People are flying to Lisbon and then spending up to five hours in the airport waiting for a connecting flight.”

There were also some other problems for the Algarve that both the public and private sectors needed to counter, with

several challenges including: tourism tax, destination sustainability, destination qualification, offer qualification, accessibility, security, public services improvements and reducing bureaucracy, stakeholders speaking with one voice and acting as a single region.

**TOURISM TAX - WHERE'S THE MONEY GOING?**

Martins pointed to the tourist tax which, although not a problem in itself, was a problem when no one knew where the money was being spent.

“If the money goes to the municipalities, since it is a municipal tax [€2 per person per night on average], and the mayors can do what they want with the money and use it as election vote sweeteners, that is not good for us.”

And continued: “We started a discussion with the mayors last year trying to change the process, and at which they agreed to make a distinction between the summer and the winter. The goal is to bring in an extra €42 million per year. Ten percent should be put in a fund managed

by the municipalities, the tourism board, and the hotels and resorts association jointly to support large events, new rail lines and some other more international issues that are important for the Algarve.”

**RYANAIR - CONTRIBUTING TO THE ECONOMY**

David Simón-Santiñán, Head of Public & Corporate Affairs for Ryanair, discussed the investment the airline was making in Portugal and had made over the past 20 years. The lowest fares airline in Europe has 3,000 flights a day, is the number 1 in traffic, transporting 185 million passengers (+10%) over the 150 million passengers in 2019, with a goal of 300 million passengers by 2034.

In Portugal, Ryanair currently has around US\$3,000 million invested in operations, with 30 aircraft for the summer of 2023. Four of these aircraft are the B737 Max 8200 ‘game changers’ which consume 16% less fuel, make 40% less noise, offer 4% more room and are “the ‘greenest’ aircraft that we own at the moment”.

Ryanair presently operates from six different airports, with five bases to 164 routes. “We are aiming to bring 130 million passengers in 2024 to Portugal. We are creating over 900 direct jobs and supporting around 10,000 jobs in Portugal,” he said.

David Simón-Santiñán emphasised that in the 20th anniversary year of Ryanair entering Portugal – using 2019 figures for Portugal (the 2022 figures are currently being compiled) —, the airline brought 4 million passengers to Portugal, mostly international tourists. “These tourists spent €2.1Bn in Portugal, with a PwC report suggesting that most of that expenditure goes on restaurants, accommodation, sport and entertainment and retail trade.”

“Ryanair is not only an airline that connects Europe and Portugal with the lowest fares, but is also a huge economic contributor and we are very proud of this. We are also looking into the actual GDP contribution the airline has made to the Portuguese economy over the past 20 years and the numbers are amazing; we have brought in €15.1Bn in economic contributions. We are bringing in people who want to enjoy Portugal but also spend money, contribute to new jobs and new hotels,” he said.

**“RYANAIR IS NOT ONLY AN AIRLINE THAT CONNECTS EUROPE AND PORTUGAL WITH THE LOWEST FARES, BUT IS ALSO A HUGE ECONOMIC CONTRIBUTOR AND WE ARE VERY PROUD OF THIS.” DAVID SIMÓN-SANTIÑÁN, HEAD OF PUBLIC & CORPORATE AFFAIR, RYANAIR.**

**A HEALTH AND WELLNESS TOURISM DESTINATION**

In the first panel, the focus was on wellness and health tourism with Elaine Godley, Health and Wellbeing Mentor 2022 at The Perfect Health HUB, Prof. Joana Apolónio, Researcher & Scientific Project Manager at Algarve ABC - Biomedical Centre, and Carlos Justino, TLC Medical Tourism Algarve.

Joana Apolónio said that the Algarve was special because “we have all the right conditions to live a peaceful life, which reduces anxiety and promotes wellness and wellbeing”. She said that compared

to other regions of Portugal, the Algarve is considered a “healthy heart region” — cardiovascular diseases kills 180 million each year worldwide — and pointed to a study called ‘Safe Heart’ being carried out at the Algarve Biomedical Centre (ABC), which is fostering the training of non-health professionals in basic life support and automated external defibrillation. Joana also said that the municipality of Albufeira was the top local authority with the most defibrillators in public places.

Elaine Godley, who used to run cardiovascular clinics in the UK and has a device that can test the likelihood of someone having a heart attack or stroke, said that stress was a “huge factor that people underestimate as a cause of ill health, particularly inflammation”.

“The relatively stress-free lifestyle” in the Algarve reduced the risks, although she joked that Portuguese builders and maintenance men often sent blood pressure rising! However, she emphasised that relocators “need to make an effort to integrate and learn the language” with every local authority providing free classes.

As to health tourism in the Algarve and its promotion, as well as the growth potential of the market in Portugal, Carlos Justino (Innovative CX Strategist | Driving Growth with AI, Account-Based Marketing, and IT Services) agreed that the excellent quality of the hospitals and doctors in the Algarve provided an opportunity for the industry to promote itself. It was also one of the reasons why he started TLC Medical Tourism Algarve, which offers high-quality affordable healthcare for tourists and health tourists. “Often companies try to get the most money out of visitors without thinking about the level of care they deliver. We have everything here and we provide a great service to everyone. Why not bring people over to the Algarve for treatments and surgeries? The only thing we’re not so good at is heart transplants,” he said, explaining that referrals were sent to Turkey.

**STABLE AND VALUE FOR MONEY**

Health tourism in the Algarve, Justino said, is well packaged in terms of treatment, accommodation and recovery. “When you reach out for a facilitator, they organise everything for you and can be up to 60% cheaper than doing it back home,







A conversation around Sport and Leisure activities: Fabio Fragoso - Vilamoura Surfing Club; André Gomes - Diretor do Núcleo de Promoção, Animação e Informação Turística na Região de Turismo do Algarve; Mark McSorley - General Manager Hotel & Residences- Quinta do Lago & The Campus; Moderator - Elise Slotte - Owner, Wow Guide Algarve

with some European and US health insurance providers already offering packages for medical tourism procedures.”

Andy O'Donoghue reminded on how safe, reasonably priced and economically stable Portugal is. “We often lose track of the good things in Portugal and that the economy is not that bad, and it is a really safe country, while eating out is good value too.”

**CHRONIC STAFF SHORTAGES**

The second panel discussion covered the topic of tourism resort development trends, featuring some of the most important resorts in the region, with guest speakers Sean Moriarty, CEO of Quinta do Lago, Alda Filipe, Managing Director of Kronos Homes (Vale do Lobo), and Katya Bauval, Executive Director of Vila Vita Parc Resort & Spa.

The IPBN Chair of the Algarve, Sharon Farrell, pointed out how well tourism in the Algarve has recovered after the Covid-19 pandemic, but what have been the key challenges for the tourist market in terms of staffing, accommodation, and water shortages caused by the

long drought that has plagued the region for several years?

Sean Moriarty, CEO of Quinta do Lago, admitted the luxury lifestyle and sport resort's challenges had been around personnel, not just at QdL, but the hospitality industry and many other industries worldwide.

“It is hard to put your finger on where that has come from, lots of people moved into retail during the pandemic. We lost a lot from our sector to retail,” he said.

However, it did not explain the huge lack of staff in the market, but as Sharon Farrell pointed out, one of the key downsides for graduates on hospitality and hotel management courses is low salaries.

“We are speaking to a lot of universities and a lot of students working with us now and accommodation is a key factor. We are building accommodation to meet this need, not just student accommodation, but workers accommodation and villages,” said Sean Moriarty.

“The situation with the staffing and our teams is something that we are very sensitive to and despite AI, people do make a difference and always will do in

tourism and resorts,” said Alda Filipe, Managing Director of Kronos Homes (Vale do Lobo), who said that there needed to be “cross-communication” between the stakeholders at all the resorts because “staffing accommodation is a common problem”.

Katya Bauval – Executive Director of Sales – Vila Vita Parc Resort & Spa said there was a generational aspect to the issue. “We have a lot of skilled and unskilled workers in the Algarve and we all depend on universities and hotel and catering schools.”

“The big problem here is that young people these days want a fast-track career development and many then want to move on very quickly. In this industry things take time, you gain experience over years, and this is one of the issues that we face as a private health resort employing 1,000 people across all of our companies.”

Katya Bauval said the biggest challenge is finding new talent and getting young people to understand that it takes time to move up the ladder in their careers.

Sharon Farrell agreed that it was the same problem in wealth management and tax, when young people don't understand that it takes years to develop the experience and skills, yet “they want the higher salaries now”.

**WATER SHORTAGES**

On the question of water shortages, at Vila Vita Parc they have had their own desalination plant since 2015 that has allowed water savings which are used in all the gardens, pools and lakes. The bi-product, salt, is used in the restaurants and kitchens, so nothing is wasted.

Sean Moriarty explained that at Quinta do Lago, they are finalising a new water treatment plant that comes from Faro, making it a huge investment. “Over the past couple of years and during the pandemic, we took the opportunity to revamp our South course, and we changed the grass variety [to a hardier drought-resistant one] and the irrigation system, spending €7 million on the golf course, saving 60% of our water by changing that grass variety.”

“There is a huge amount of work with grass seed providers around the world

and we are hoping to be a trial destination for one of them. All the water we use on our flower beds at QdL is 100% recycled,” he said.

Moriarty added that the Algarve had had a very wet winter which people had forgotten about and that water is somewhere. “There is a big conversation to be had and I don't think we can accept all the pressure that is being put on resorts and golf courses; we need to come up with collective suggested ideas as to how we capture the water and store it at source.”

Alda Filipe, Managing Director of Kronos Homes (Vale do Lobo) agreed that sustainability is a “must-have for everyone”: “We are very conscious of water consumption at all our projects and resorts and we work very closely with Infralobo [a company founded in 1999 through the genuine desire to provide quality service to the luxury resort of Vale do Lobo and focuses on continual improvement and optimisation of resources, including water systems], while all Kronos developments are built to BREEAM energy efficiency and sustainability standards.” ■

“THE BIG PROBLEM IS THAT YOUNG PEOPLE THESE DAYS WANT A FAST-TRACK CAREER DEVELOPMENT AND MANY THEN WANT TO MOVE ON VERY QUICKLY. IN THIS INDUSTRY THINGS TAKE TIME, YOU GAIN EXPERIENCE OVER YEARS, AND THIS IS ONE OF THE ISSUES THAT WE FACE AS A PRIVATE HEALTH RESORT EMPLOYING 1,000 PEOPLE ACROSS ALL OF OUR COMPANIES.” KATYA BAUVAL, EXECUTIVE DIRECTOR OF SALES, VILA VITA PARC RESORT & SPA.



Audience





BPCC CEO Chris Barton

# The BPCC's Chris Barton

## 25 years instigating change and renewal

The CEO of the British-Portuguese Chamber of Commerce Chris Barton has been the custodian of one of Portugal's oldest bilateral trading organisations for 25 years this year. Essential Business takes a look back at his career, revealing a man with quite the spirit for adventure.

TEXT AND PHOTOS **CHRIS GRAEME**

**"OUR INTEREST IS NOT JUST GETTING THEM TO BE MEMBERS, BUT REALISING WHAT OUR MEMBERS CAN DO FOR THEM. THESE OVERSEAS ENTREPRENEURS ALL NEED ACCOUNTANTS, ACCOMMODATION, LAWYERS, TELEPHONE SERVICES, AND EVEN IF THAT IS NOT THEIR CORE BUSINESS, THEY DO NEED TO BE RUBBING SHOULDERS WITH PEOPLE WHO CAN HELP THEM WITH ALL THESE SERVICES, TO HELP THEM WITH FINANCES AND RAISING CAPITAL." CHRIS BARTON, CEO BRITISH-PORTUGUESE CHAMBER OF COMMERCE (BPCC).**

institution over the years to remain relevant to its 400 or so members.

Chris Barton says that the BPCC, now in its 113th year, needs to keep rejuvenating itself. "It's a fact that we, like any chamber or business association, are going to lose some companies and members; people die, companies fold, or membership doesn't work for them anymore, so we have to keep replenishing those," he reflects.

With this in mind, the BPCC CEO says that it has been eyeing the entrepreneurial generation that has spring up over the past decade with interest, especially since the BPCC's involvement with the EU-funded Erasmus for Young Entrepreneurs programme, which aims to arrange mentoring experiences via business matches between aspiring entrepreneurs from one European country with experienced business owners in another European country. Through this support programme, the chamber has helped to kick-start almost 120 new start-ups within Portugal and the partnering countries.

"Our interest is not just getting them to be members, but realising what our members can do for them. These overseas entrepreneurs all need accountants, accommodation, lawyers, telephone services, and even if that is not their core business, they do need to be rubbing shoulders with people who can help them with all these services, to help them with finances and raising capital," he points out.

### **EVENTS WITH HIGH-CALIBRE SPEAKERS**

Over the years, the British-Portuguese Chamber of Commerce has organised or co-hosted scores of lunches and breakfasts with engaging leaders from the world of both national and international business and politics.

And from among the guest speakers that the British-Portuguese Chamber of Commerce has hosted over the years, and which have included names that strode big on the Portuguese political and business scene, such as ex-president Mário Soares, controversial banker Ricardo Salgado, airline mogul David Neeleman, and eccentric and outspoken economist Henrique Medina Carreira, he says the Greek-Cypriot airline tycoon, Sir Stelios Haji-Ioannou stands out as one of the most entertaining and memorable.

### **AN ATOMIC START**

Chris Barton had a remarkably varied, if industrial, career path before he arrived in Portugal in 1995.

He worked for British Nuclear Fuels (BNFL) in Risley near Warrington for four years – the biggest employer in the town at that time. "I was in the sales department and when people asked me what I did, I used to joke that I sold nuclear fuel."

From there, Chris worked for a company trading specialty steels and exotic high-performance alloys.

Thereafter a job offer took him to London, where he worked for the



**“THE PORTUGUESE DIDN’T ALWAYS APPRECIATE THE SAFETY AND SECURITY OF THE COUNTRY AS MUCH AS US FOREIGNERS UNTIL MORE RECENTLY. BARELY A WEEK GOES BY WITHOUT SOME STORY OF A MASS KILLING (AND CERTAINLY THIS IS ONE OF THE REASONS OFTEN CITED BY THE MANY AMERICANS MOVING HERE RECENTLY).”**  
**CHRIS BARTON, CEO BRITISH-PORTUGUESE CHAMBER OF COMMERCE (BPCC).**

Philadelphia-based pipe supply company, Tioga.

Although not an engineer by formal training – Chris took the Higher National Diploma in Business Studies while at BNFL –, he says he had worked alongside and been exposed to a lot of engineers, lawyers, and architects at BNFL. “It enabled me to speak their language and put me in good stead later on”, working with businesspeople from all backgrounds and walks of life.

Chris’s experience in metal-related products gave him the background knowledge to secure his next job in commodities trading in London as a ‘position keeper’, maintaining the positions on silver, cadmium, cobalt, aluminium, magnesium and manganese.

The multinational company called Erlanger (part of the Beresford Group) had offices in New York, Johannesburg and Tokyo, among other cities. At the time it was one of the top five largest companies in the UK by turnover, trading millions of US dollars worth of commodities each day.

“Only a tiny percentage of such commodities deals are ever delivered as tangible product and what they were basically doing was trading in futures. It was my job to keep track of all these transactions, bearing in mind that this was in the days prior to the invention of the internet and desktop computers,” he explains.

A big break came when the company sent Chris to its New York office in 1980. He describes the experience as “the best three months of my life”.

#### A MAN WITH METAL

Upon returning to London, he went to EuroTube, where he once again traded steel commodities for the petrochemical sector. What was supposed to be a brief

secondment to Al Khobar in Saudi Arabia eventually lasted for 16 months until a permanent manager was found and appointed.

“Meanwhile I enjoyed a typical Middle-East expat employment package entitling me to a two-week vacation every three months and gave me the opportunity to visit exotic locations like Thailand, Bali, Singapore and Berlin (before the wall came down!). This first taste of backpacking was to serve me well in my future adventures,” says Chris.

“Upon completion of my Saudi contract I returned to the UK, but rather than return directly to traditional employment, I opted to go globetrotting by answering a newspaper advertisement to join a sailboat crew embarking on a round-world trip, so with diving equipment and a case-full of camera gear in hand, I set off with my backpack to meet the boat in the British Virgin Islands.

“Although I didn’t stay with the original boat for too long, I was able to spend quality time in the harbours of many of the most idyllic Caribbean islands, then flew from Barbados to Manaus in Brazil to work my way down the Amazon to Belém and then on to Rio de Janeiro, before flying back to London,” he reminisces. “In those days you didn’t have mobile phones and Internet, so if you were half-way up the Amazon, nobody knew you were there, and even if you wrote a letter home, it would take weeks to arrive,” he says.

#### A DATE WITH FATE

Chris Barton then joined the Rank organisation, and despite starting at the bottom was able to work his way up to production manager at a VHS duplication factory, transferring films onto cassettes for the big studios like RCA, Warners and the BBC.

Sadly, the video industry was a relatively short-lived one, and similar roles at an audio cassette and CD duplicating facility also suffered as streaming made these sectors redundant. However, on the bright side, it was here that he met his wife-to-be, Apolónia. Last November, they celebrated 32 years of marriage and they now have two grown-up children; Chloe, who graduated in International Relations at Lisbon’s Católica university and now lives in Manchester where she works for a fast-fashion brand, and Nicole, who is about to graduate after studying social services at Lisbon’s ISCSP.

Three redundancies in quick succession prompted an urge to leave the UK and start life afresh in his wife’s country of Portugal. Those early years were challenging, having arrived without a job or home, but with a small baby in arms and a mortgage back in the UK to maintain.

“Never being shy to work, at one point I ran an Angolan restaurant, I taught English at a language school, and even had an import-export business sending Sagres beer to Angola. Meanwhile, Polly got a job at the British-Portuguese Chamber of Commerce as the CEO’s secretary. Upon the CEO’s retirement I was called for interview... and the rest is history, as they say,” he says.

He looks back and says it was ironic that throughout the 1980s and first half of the 1990s, he was forced to change jobs frequently, either because companies went bankrupt or the job ceased to exist, yet since he has been in Portugal he has been in the same job for 25 years.

#### CONSTANT EVOLUTION

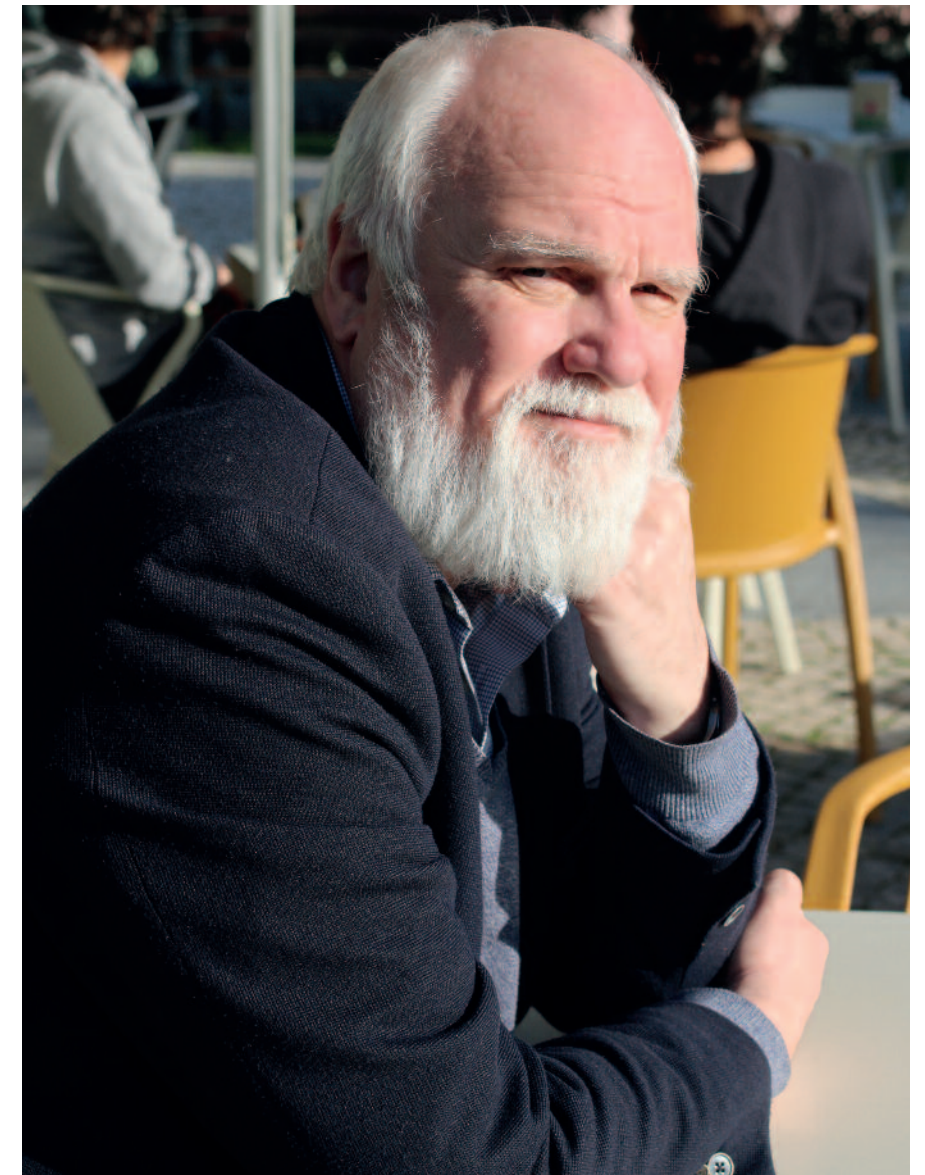
I ask Chris Barton what his biggest achievement was, looking back at his 25 years at the helm of the BPCC. He answers that it has been the daily

challenge of ensuring its continued relevance through perpetual re-invention, openness to change and hunger for improvement.

“When I arrived it was typewriters, fax machines and hand-written ledgers – sending out an invitation to one of our events implied going to the post-office to mail 400 envelopes. Although technology has always developed, it seems to have happened at an increasingly faster rate over the past 25 years since I have headed the BPCC. For example, e-mail addresses and mobile phone ownership used to be just for the privileged few, but now they are essential tools for everybody,” he recalls.

Unlike most other bi-lateral Chambers in Portugal, Chris encouraged the British Chamber to engage as a partner in several EU funded projects including Is-IT Green, BRIC-ITT and for the past 12 years, the Erasmus for Young Entrepreneurs programme. Not only have they been invaluable for expanding the Chamber’s network throughout Europe but have also provided a welcome source of extra revenue.

Running a non-profit organisation is always going to be a delicate balancing act of financial resources and, although I took over the Chamber when it was slightly overdrawn, we have managed to maintain stability throughout the ups and downs during financial crises and other challenges to the business world. Our major sources of income comes from membership subscription fees, events, exhibitions, sponsorships and business services such as market research and commercial introductions. Our participation in COMPETE 2020 has meant that we have been able to support Portuguese business to enter the UK market, particularly in the IT, food & drink and textile sectors. These initia-



BPCC CEO Chris Barton

tives have been driven by my colleague, Helena Fernandes, who is also coming up to celebrating 25 years’ serve at the BPCC. Our other colleague, Charlie Oliveira, (in his twentieth year with us) looks after the membership database, website, newsletters and ‘all things IT’. The BPCC also has two regional representatives covering the Algarve and Northern regions.”

In answer to the question about what he appreciates most about living in Portugal, Chris Barton says that he values the safety and security, although he senses that perhaps the Portuguese didn’t

always appreciate it as much as us foreigners until more recently. Barely a week goes by without some story of a mass killing (and certainly this is one of the reasons often cited by the many Americans arriving here recently).

Now approaching the twilight years of his career, Chris looks back fondly at the country that has enabled him to bring up a family and enjoy employment stability, yet still be in the same time zone to allow him to follow his beloved Liverpool Football Club.

**Long live the King and President! ■**



# Mota-Engil

## Building a sustainable future

Mota-Engil CEO and Chairman, Carlos Mota-Santos



**Mota-Engil is one of a handful of Portuguese companies that looms large on the international stage. Its new CEO and Chairman, Carlos Mota-Santos, explains what Portuguese companies need to do to successfully compete overseas, and why.**

TEXT AND PHOTOS **CHRIS GRAEME**

**T**he short-term outlook for the global construction industry is clouded by high levels of uncertainty, with a looming economic recession on the horizon in major markets due to soaring energy prices and high interest rates. Prospects for growth will likely be muted in 2023.

That was the general forecast for the construction industry for this year, but when it comes to Portugal's largest international construction giant Mota-Engil (ME), the pundits were looking at the wrong set of cards.

The Sino-Portuguese giant currently has over 220 projects in 22 countries around the world in Europe, South America and Africa, and last year enjoyed a business turnover of €3.8Bn (+47% on 2021) with €44 million in net profits, of which 40% was from Latin America and 31% from Africa. From 2020-2022, its order books doubled from 6,052 to 12,566, which is impressive even if the Covid-19 pandemic is taken into consideration. Some 76% of this turnover was overseas. In 2023, its orders book show an uptick of 20% in activity.

**"A COMPANY THAT DOESN'T HAVE SCALE HAS NO PLACE IN A MARKET THAT IS SO COMPETITIVE AS THE INTERNATIONAL MARKET IS. SCALE IS NOT ONLY GOOD FOR OUR ECONOMY; THE MORE LARGE COMPANIES YOU HAVE, THE BETTER FOR THE COUNTRY'S ECONOMY AND THE HEALTH OF ITS COMPANIES IN GENERAL."**  
**MOTA-ENGIL PRESIDENT, CARLOS MOTA-SANTOS.**

Portugal's construction market was valued at \$29.3 billion in 2022. The market is projected to grow at an average annual growth rate of more than 1% during the period 2024-2027, particularly gathering pace from 2024, supported by the 2030 National Investment Program (PNI), under which the government plans to spend €21.7 billion on transport projects by 2030. While positive, that's not a big deal for Mota-Engil, since 80% of its projects are overseas.

The leading contractors in Portugal's construction market are Mota-Engil SGPS SA, Ferrovial SA, Teixeira Duarte SA, Acciona SA, Edivisa Empresa de Construcões SA, Grupo ACA, Conduril – Engenharia SA, Actividades de Construção y Servicios SA, DST Contractors, and Maire Tecnimont SPA. However, of all these companies, Mota-Engil SGPS SA was not only the leading contractor in the Portuguese construction market in 2022, but it was the only one with a truly international footprint that spans three continents.

It is a long way from humble beginnings as a small building firm in the picture-postcard Northern Portuguese town of Amarante, where it was founded in 1946. Today, Mota-Engil is among the 45 largest international construction companies in the world and it's all down to leadership, perseverance and gaining scale.

### IT'S ALL A QUESTION OF SCALE

Portuguese engineering is one of the few quality sectors the country has, according to Mota-Engil's CEO and Chairman Carlos Mota Santos, who addressed business leaders earlier this year at the International Club of Portugal (ICPT).

But the most important thing for Portuguese companies is scale. "We may talk

more about good companies and bad ones rather than SMEs and large companies, but the one thing that is absolutely vital in competing in the international market is scale," he insists.

And warns: "A company that doesn't have scale has no place in a market that is so competitive as the international market is. Scale is not only good for our economy; the more large companies you have, the better for the country's economy and the health of its companies in general."

Mota-Santos, who took the helm at the company at the beginning of the year, says that the problems for Portuguese construction companies begin with this lack of scale.

"Fifteen years ago there were 25 large Portuguese companies, but today only 11 still exist. All the others have vanished. The absence of companies has made it difficult for this sector to grow in such a small market without the necessary scale," he explained.

Across the border in Spain, however, things look somewhat different, with a number of large Spanish competitors in the sector because they were not afraid to merge.

"We do not, unfortunately, have a culture that encourages mergers to gain scale." Nevertheless, taking into account the years of crises in the Portuguese construction sector, he says it continues to be a very important sector for the Portuguese economy.

The construction sector represents 6% of all direct employment in Portugal, is responsible for 10% of GDP, and construction companies operating overseas represent €5.3Bn (2.5% of GDP and 6% of exports).

Mota-Engil has the second biggest presence in Sub-Saharan Africa, only

exceeded by France. It also has the third largest presence in Latin America, particularly in Mexico. "This gives us leverage, in terms of suppliers, materials, architects and planners, project management and security companies which inevitably come from these international contracts," Mota-Santos reveals.

### STRATEGY

When Mota-Engil decides to launch in a market, it studies that market on various levels within a logic of being in the country long term, from a standpoint of both public and private projects and local partners on the ground.

"We prefer to work with local partners whether in terms of suppliers and capital and partnerships with other companies, and develop a local culture. But in recent years, we have also had another approach; either for market or project. We have increasingly developed specific skills for specific projects, such as port construction, mining services contracts, bridge engineering, and having a logic not just for the market itself, but for demand for specific projects and meeting the demands of specific clients," the CEO explained.

Today, the company's strategy is a maxim of two factors; some of the 23 countries Mota-Engil has been or is involved in are viewed as markets, and others are seen as opportunistic markets for projects in areas in which it has specific skills and which enables it to increasingly become global competitors. However, he says that more important than entering a market is knowing when to leave, even when it is difficult and expensive.

"We are increasingly concentrated by hubs – Africa, Latin America and Europe –, and we look to reinforce the markets that are core in each and differentiate





Palenque, Mexico - the starting point of Tren Maya High Speed Railway

those which are opportunistic in terms of projects.

“On the other hand, we also look to promote cross-selling. When people think of ME, they think about engineering and construction projects. Yet we are the largest group in the environmental sector in Portugal, namely the collection and treatment of urban waste. This has been one of the growth areas that has brought most profitability for the group and one of our strategies is to look to grow in non-construction areas like the environment,” explained Carlos Mota-Santos.

#### CRITICAL AREAS FOR INTERNATIONAL SUCCESS

Carlos Mota-Santos says there are four key areas to being successful internationally. Quality is the first. “If you cannot stand out in terms of quality, and guarantee public, private or institutional clients, you will not retain customers. For a small country like Portugal, it is difficult, which is why ME is increasingly recognised overseas as a local company, considered for its quality brand rather than as a Portuguese company. In Africa, when asked about a specific infrastructure, is the company ha counts, not the French, Spanish, Brazilians or Chinese. Portuguese com-

panies need to develop as a brand in terms of quality that stands out; the country it comes from is secondary.

“Ingenious and innovative solutions in terms of financing are vital, both in terms of financing the project and clients. One of the reasons we’ve been successful internationally is that we’ve managed to be sufficiently successful and innovative to find financing solutions for both the project or the client.”

Act global but be local — whether for capitalisation, individual projects or in partnerships. Companies, he says, can only gain a niche foothold in a market by setting up a company locally. Not just in partnerships but in terms of having a plan locally in terms of suppliers, contractors, and human resources.

“Today we are the largest employer of the Portuguese outside Portugal, with around 6,000 Portuguese working outside Portugal and 40,000 employees globally, but we increasingly use local staff, not just in operational areas, but technical and management areas, too.”

Finally, value creation — not just in terms of jobs but also communities. “Our activity affects many communities. Our Manuel António da Mota Foundation, which operates in Portugal, is also in all the markets in which we operate.”

**“IF RELATIONS DETERIORATE BETWEEN THE US AND CHINA, THE PROBLEM WILL NOT JUST BE FOR MOTA-ENGIL, BUT FOR ALL OF US. HOWEVER, WE DO NOT FEEL ANY TYPE OF RESTRICTION, CONDITIONING, OR PROBLEM ANYWHERE, NOT EVEN IN OUR LARGEST MARKET MEXICO WHOSE ECONOMY IS RELIANT ON THE US.” MOTA-ENGIL PRESIDENT, CARLOS MOTA-SANTOS.**

#### INTERNATIONAL FROM THE GET-GO

Mota-Engil has been working outside Portugal from the start. It is the 21st largest company in terms of European ranking in the infrastructures area, number 7 in Latin America, number 1 in Portugal, and the 3rd largest construction company in Sub-Saharan Africa. Only 20% of its activity is in Portugal.

“Africa has always been a very important region for us and an engine for growth since the beginning. In the last 10 years, that success has been replicated in Latin America. Proof of our success in internationalisation is that we’ve been able to successfully work in markets that are more complex, with another degree of sophistication when compared to African markets,” says Carlos Mota-Santos.

#### CHALLENGES FOR PORTUGUESE COMPANIES

Carlos Mota-Santos says that relying on a small national market like Portugal is a recipe for disaster in a downturn. A case in point was the influx of investment in around 2010 and many Portuguese companies invested heavily to meet this influx. When the investment collapsed with the crisis, and because they didn’t have scale or hadn’t internationalised, many Portuguese construction compa-

nies went to the wall. “Because they did not have an international presence, they tried to get one in a hurry in Angola and many failed, collapsed and vanished.

“We have lots of SMEs that are not sufficiently robust with sufficient capacity in terms of size or capital to be competitive internationally. This, coupled to a lack of public investment strategy, or one tied to short-termism and legislative cycles, has been disastrous. Yet, it didn’t have to be like this. You only have to look at Spain where, regardless of which government is in power, plans don’t change,” he said.

Mota-Santos says Portuguese companies have problems successfully internationalising. “If we look at the 30 largest construction firms in the world, only four have a greater turnover internationally than they do in their domestic markets. For these large companies, their root market is very important for their installed capacity, but they train their staff and not just locally, have the capacity to attract talent from other markets overseas and train them here in Portugal. On the other hand, if companies lose investment, they lose their value and their local employees will leave and not return. And this capacity to train will increasingly be lost. Of course the Portuguese market has the size that it has and will continue to have, but if we do things in the right way in terms of planning, marketing, internationalisation and development to gain scale by merging, we would have other conditions to be successful.”

#### PORTUGAL RRP

Carlos Mota-Santos believes Portugal has a unique opportunity with the €17Bn of EU funding in the Recovery and Resilience Programme (RRP) to boost and modernise a wide range of sectors, including engineering and construction.

“We need planning to provide predictability, execution to confirm this predictability, and we need to motivate our entrepreneurs to gain scale, to merge or join together, pool their resources, and thereby have more players which are more capable and robust to compete in international markets. As for us, we have continued to blaze a trail for Portuguese engineering and construction, and we

will continue to do so, not just as a Portuguese company, but also as a company that wants to develop in the countries where we operate.”

#### CHINA

The Chinese State-controlled construction giant CCCC has a 32% shareholding in Mota-Engil and has helped the company in terms of operations, markets and procurements. But does the CEO of Mota-Engil worry about the geo-political tensions between the US and China?

“The Chinese State is our shareholder, but they are already a significant part of the Portuguese companies network in various areas, from banking and insurance to health and energy [production and distribution].

“It’s true that if relations deteriorate between the US and China, the prob-

lem will not just be for Mota-Engil, but for all of us. Having said that, we do not feel anywhere, neither in our largest market in Mexico whose economy is reliant on the US, where last year we had a turnover of €1.2Bn, any type of restriction, conditioning, or problem. Trade relations between Portugal and the US are growing and the real economy is growing between US and China. The tension is obviously something that worries me, not just as the CEO of the company but as a European citizen. Here in Portugal, most of the investment from the US has been more opportunistic. I see US companies investing in Portuguese companies but they are real estate and vulture funds; Novobanco is an example. But investing in industry or capitalising Portuguese companies? This I don’t see.” ■

Mota-Engil CEO and Chairman, Carlos Mota-Santos





# The future is blue

**Blue bonds, natural capital, and business with a sustainable profile in harnessing the enormous potential the oceans have to offer topped the agenda at The Economist's 10th World Ocean Summit & Expo held in Lisbon in March.**

TEXT **NYSSE ARRUDA**  
PHOTOS **SUPPLIED**

**A**lmost 1,000 people gathered at the Lisbon Congress Centre in Alcântara for The Economist - 10th World Ocean Summit (WOS), held over six days in February and March to discuss the future of the oceans, with their attention focused on the potential areas of sustainable activity at a corporate and financial level.

The 200 panelists and speakers deep-dived into subjects as diverse as renewable energy sources (mainly offshore wind), aquaculture and fish farming,

algae and microalgae, and technological innovation to collect and collate relevant data on the oceans.

The week culminated in the unanimous statement that all sectors – science, companies, finance, scientific entities, governments and society – should collaborate closely for a greater knowledge of the potential that the oceans offer for a more sustainable future.

Particularly salient was the statement made by Markus Müller, the Managing Director and Chief Investment Officer

ESG & Global Head of Deutsche Bank - Private Bank: “I think that the role of Deutsche Bank in supporting the transition to sustainability and natural capital is threefold: employing the use of natural capital among international institutions and the financial sector; identifying and developing suitable investment approaches; and helping clients to integrate natural capital considerations in their portfolios.”

The president of the board of directors of the Cabo Verde Stock Exchange,







President of Cabo Verde Stock Market, Miguel P. Monteiro.



Chief Investment Officer Deutsche Bank, Markus Muller.

Miguel P. Monteiro, used the event as a platform to present the Cabo Verde Blue Bond, a financial instrument to support projects related to the sea. In a tourism-dependent economy, sustainable finance will promote sustainable fisheries, maritime transport and tourism in the island republic.

The bond had already been launched on Cape Verde's sustainable finance platform Blu-X, a regional platform for listing and trading sustainable and inclusive financial instruments. The issuance will raise domestic, regional and global investment in Cape Verde's rising ocean economy while divesting capital from industries responsible for sea-level rise, pollution and other transgressions against ocean rights.

#### INDICO BLUE CAPITAL - €50 MILLION IN VENTURE CAPITAL PORTUGAL RRP

The venture capital fund Indico Capital Partners has created the Indico Blue Fund, with €50 million to invest in the economy of the sea in Portugal. "It is a climate action fund focused on growing blue economy companies in embryonic or seed stages and whose objective is to invest in companies that are aligned with one of the United Nations Sustainable Development Goals, on subaquatic life," explains Stephan Morais, co-founder and managing partner of Indico Capital Partners.

"It is directed towards innovation, exports and technological development,

and mainly to the sustainability of companies, who have signed up to having a positive impact on the oceans and mitigating the effects of climate change," he says, adding that it's important to support the lifecycle of companies in the blue economy, especially those related to sustainable fishing, coastal tourism, energy, ship-building and repairs, maritime operations, aquaculture, biotechnology, etc.

At the end of 2022, the investment firm invested in two ocean startups within the company's Founders Program. The two biotech companies were Italian Ittinsect, a Rome-based feed company developing a high-quality and sustainable aquaculture feed alternative from insects and other by-products, and Inclita Seaweed Solutions in Portugal, which develops seaweed extracts for pet care, food & beverage, cosmetics and neutra-ceutical industries.

#### OCEAN WINDS - ENERGY FROM WIND

Set up in 2020 to spearhead offshore wind energy, Ocean Winds was a pioneer in the installation of three floating wind turbines generating 8.4 megawatts, anchored in waters 100 metres deep off the coast of Viana do Castelo in the north of Portugal.

"The first in testing this cutting-edge technology took place in 2011 with a prototype off the coast of Aguçadoura [Póvoa de Varzim]; five years exposed to extreme maritime conditions, including 17-metre

waves. We realised the potential to scale up the Windfloat Atlantic project in Viana do Castelo, which already provides the Portuguese network with enough energy for 60,000 inhabitants and cuts the emission of 33,000 tonnes of carbon per annum," said José Pinheiro, the director of Ocean Winds for the Southern European market.

Today, Ocean Winds has internationalised, with projects in Belgium (Sea-made), Scotland (Moray East and another two projects in the region – Shetlands projects), South Korea (KF Wind Floating, with 1,200 gigawatts of power, the largest offshore wind energy platform in the world) and California (in partnership with CPP Investment for the development of an offshore wind platform with 2,000 GW of power).

#### A4F – ALGAE FOR THE FUTURE

Microalgae are one of the most important marine resources used as a raw material in the blue bio-economy (as a sustainable alternative to produce foods and food supplements, pet foods, cosmetics, fertilizers and plant bio stimulants, as well as the creation of biomatter, bioremediation and advanced biofuels), as well as having an important role in decarbonisation.

A4F – Algae for the Future is a Portuguese company specialised in biotechnology with over 20 years of experience in researching and developing microalgae and the production of microalgae

(including on an industrial scale). An example of the company's specialisation is the ALGATEC Eco Business Park located on the banks of the River Tagus in Póvoa de Santa Iria, in a partnership with Green Aqua Póvoa and Hy Chem – a case study in bio-economy to fight climate change.

#### FLATANTIC - SUSTAINABLE FISHING

Biologist Renata Serradeiro, CEO of FLATANTIC – the largest Portuguese sustainable fishery specialised in flatfish and the largest European producer of plaice and turbot using ocean water –, has always taken sustainability into account at the company.

"My motivation was always protecting the ocean environment. We are an Atlantic company based in the fishing village of Mira and we have a transversal system interlinking all our activities to sustainability: from waste management to energy efficiency, the digitalisation of industrial processes, the modernisation of the food system, packaging materials, and animal welfare," explains the entrepreneur/biologist of the company that has already received GAP global certification, a international standard for best practices in sustainable production.

With 30% of turbot production destined for export to Europe, the company has an 80-hectare area in Mira where they have set up the FLATANTIC Sus-

tainable Village, where the company has already been using self-consumption energy production systems and has had a 720-kWh photovoltaic solar park since 2019. It is also planning a phased conversion to renewable energy sources.

#### SIX KEY TAKEAWAYS FROM THE WEEK'S CONFERENCE

**Speed and scale** are required to accelerate ocean innovation, based on a robust regulatory framework as well as sustainable funding. There is a particular need to address the gap between projects that are eligible for climate finance and financing that is available for locally led adaptation projects.

**People centricity**, because ocean economy ultimately needs to be centred on its people. It is about regenerating marine life and harnessing economic opportunities; without addressing human concerns and aspirations, building a sustainable ocean economy will falter.

The need to include the human dimension shone through many of the discussions at the summit, including, for example, integrating the ocean-worker dimension when engineering a safer ocean, engaging with local communities when building marine protected areas, and working with consumers to create a circular economy for plastics.

**Blue carbon** has huge development opportunities. The latest backlash against

THE €50 MILLION INDICO BLUE FUND IS FOCUSED ON FINANCING BLUE ECONOMY COMPANIES IN PORTUGAL, IN EMBRYONIC OR SEED STAGES, ALIGNED WITH UN SUSTAINABILITY GOALS ON SUBAQUATIC LIFE". INDICO CAPITAL PARTNERS CEO STEPHAN MORAIS.

carbon credits is important: as the recent backlash against ESG has shown, one step back could mean we can take two steps forward.

**The so-called Blue Economy** is much larger than the oft-cited economic output of US\$2.5Trn per year if it's interconnected with value chains that incorporate the ocean economy, as well as the ocean's potential in addressing the three interconnected planetary crises of climate change, biodiversity loss and pollution.

**Open innovation** is vital in ensuring that we harness the ocean's potential. For this to work, we need to build trust to break down the silos that still hold us back from collaborating fully.

Several sessions at WOS highlighted the need for a collaborative innovation ecosystem. The innovation showcase track included sessions on bringing regeneration and sustainability to seafood farming, harnessing technology to combat illegal, unreported and unregulated (IUU) fishing, and innovations in plastics circularity.

**System change.** Ultimately, we need to work together to drive system change, as the current system has undermined the ocean. We should not be afraid to work on transforming the complex systems that have led to the ocean's decline, and instead work with systemic players to accelerate ocean regeneration. ■







David Sampson  
Inhouse Contributor

# Menasseh ben Israel - The Lisbon-born rabbi who brought the Jews back to England

**The Lisbon-born Jewish rabbi Menasseh ben Israel helped the descendants of thousands of Jews who had originally fled the inquisition in Spain and Portugal assimilate in England in the 17th century, after successfully petitioning Cromwell in 1656 to allow them back into England. David Sampson tells his remarkable story.**

The Lisbon-born Jewish rabbi Menasseh ben Israel helped the descendants of thousands of Jews who had originally fled the inquisition in Spain and Portugal assimilate in England in the 17th century, after successfully petitioning Cromwell in 1656 to allow them back into England. David Sampson tells his remarkable story.

Menasseh ben Israel was born in Lisbon in 1603 and he described himself as Portuguese by birth but Dutch, or Batavian, in spirit. His family moved to Amsterdam in 1613 and immediately entered the Jewish community there. He was a very talented child and had a vast range of reading in Hebrew, Spanish, Latin, Dutch and English, plus some Arabic, Greek, French and Italian. As a young rabbi, he was described as a flowing river of eloquence and he gave his first sermons in the Amsterdam synagogue while still in his teens.

Menasseh was much affected by the Inquisition. He saw first-hand the effect it had had on his father, and lived in a community where everyone had friends or relatives punished, tortured or murdered by the Inquisition. “What shall we say”, he wrote, “of that horrible monster, the Spanish Inquisition, what cruelty has not daily been used against a company of miserable ones. Innocents, old men and children, of every sex and age, who were slain, because they could not divine who was their secret accuser.” He cited personally the infamous Lisbon Inquisitor Manuel Álvares Tavares as “the Grand

*Inquisitor who committed crimes against the downtrodden Jews who were kept captive in the Inquisitorial palace for the purpose of burning them on the pyre, although they had committed no violence nor was there any falsehood on their lips”.*

He wrote biblical commentaries in Hebrew and Spanish, and also books in Portuguese to help new arrivals from Portugal learn about Jewish traditions. His best-known book was written in Spanish and was called *El Conciliador* (The Conciliator). In it he tried to reconcile and explain passages in the Hebrew bible that appear contradictory. He set up the first Hebrew printing press in Amsterdam with designs and type which set the standard for later books.

A high point in Menasseh's life was the visit to his synagogue of Queen Henrietta Maria, the wife of King Charles I of England, who had expressed a desire to see Jews at prayer. She had come to Holland with her 10-year-old daughter Maria to meet Maria's future husband Willem, Prince of Orange. The Queen made the visit in May 1642 together with the Stadtholder Frederik Hendrik. Menasseh was chosen to give the official welcoming address, which was published in Dutch, Latin and Portuguese as the *Gratulação de Menasseh ben Israel*.

Menasseh acknowledged the Jews' gratitude to the country of Holland, “*pois não já a Portugal e Espanha mas à Holanda por pátria conhecemos. Não já os reis de Castela e Lusitania, aos nobilísimos Estados e Vossa Sereníssima Alteza (de cujos felizes e vitoriosas armas somos protegidos e amparados) reconhecemos por Senhores. E assim nós em sinal de gratidão, por os mui Altos e Poderosos Estados, por Vossa invictíssima Alteza e pelo Nobilíssimo e prudentíssimo Magistrado desta inclita cidade de Amsterdam, quotidianamente ao Omnipotente Deus oramos”.*

Menasseh knew or corresponded with the leading thinkers of his time across Europe. Because he was open to discussing religious matters with Christian churchmen and could speak Latin, Menasseh became the go-to rabbi for Christians interested in Judaism. This openness led to difficulties with the leaders of the Jewish community in Amsterdam, who wanted all Jews to keep a low profile and not yet involved in Christian polemics. Menasseh always felt badly treated by the local Jewish leaders and not appreciated by them.

## MENASSEH IS INVITED TO GO TO ENGLAND

In 1649, after seven years of civil war, King Charles I was executed and soon afterwards Oliver Cromwell was appointed Lord Protector. He was keen to bring Jews back to England from where they had been expelled by King Edward I some 350 years earlier. His reasons were both commercial and theological. He wanted the Jews to help expand England's international trade, and provide links with Brazil and the West Indies. He also believed that it was the mission of the English, an elect nation, to convert the Jews, another elect nation, to Protestant Christianity, and in so doing bring Christ's return ever closer.

In this he was supported by those calling generally for freedom of worship and also by millenarian groups such as the Fifth Monarchy Men. They believed the prophecy in the Book of Daniel that “four great beasts which are four kings shall arise out of the earth”. They interpreted the four kingdoms as Babylonian/Assyrian, Persian, Greek and Roman, and they believed the conversion of the Jews would precede the return of Christ. His return would usher in the Fifth Kingdom.

Menasseh was invited to come to England to make the case for reentry. He saw the execution of the King as just retribution for the sufferings of the Jews in England. He believed that “the Lord who often works by natural means, might have designed, and made choice of me, for bringing about this work”. He was also concerned to find a safe haven for Jews fleeing the Inquisition in Spain/Portugal and massacres in Poland. His personal situation in Holland at the time was grim and he was aware of the possible economic and commercial benefits.

His visit was delayed by war between England and Holland, but he eventually went to London in September 1656 with his son and other rabbis and was put up at the government's expense in the Strand, near to Whitehall. He delivered his petition in English, where he set out his case based on millennial, humanitarian and commercial grounds as well as on refuting the common libels against the Jews.

Cromwell took the petition to the Council of State and a motion was made “that the Jews deserving it may be admitted into this nation to trade and traffic and dwell amongst us as Providence shall give occasion”. The Council referred it to a committee who reported that it felt itself incompetent to offer advice and suggested that a conference be held of representative Englishmen.

The Conference was convened and met three weeks later in Whitehall. All the great and the good, statesmen, lawyers, businessmen and church men were invited. Cromwell laid down the programme. The conference was asked to decide firstly “whether



Oliver Cromwell, Lord Protector of England 1653-1658

**“AS A YOUNG RABBI, MENASSEH WAS DESCRIBED AS A FLOWING RIVER OF ELOQUENCE AND HE GAVE HIS FIRST SERMONS IN THE AMSTERDAM SYNAGOGUE WHILE STILL IN HIS TEENS”.**



“MENASSEH KNEW OR CORRESPONDED WITH THE LEADING THINKERS OF HIS TIME ACROSS EUROPE AND WAS OPEN TO DISCUSSING RELIGIOUS MATTERS WITH CHRISTIAN CHURCHMEN”.

it be lawful to receive the Jews”, and “If it be lawful, then upon what terms is it meet to receive them?”

The Judges advised that “there was no law which forbad the Jews’ return into England,” and the conference moved on to discuss possible terms of entry. The conference had five sessions with lots of competing views. The last session was held with the public present. A number of London merchants objected to competition from Jewish traders and Jews were generally vilified. Cromwell spoke strongly in favour of allowing entry and then terminated the session, saying that he would make his own decision but would not act against the views expressed.

On that day, John Evelyn wrote in his diary, “Now were the Jews admitted”, and later in the month a royalist letter wrote to France: “The Jews, we hear, will be admitted by way of connivancy, though the generality oppose”. What appears to have happened is that Cromwell privately gave verbal assurances to the New Christians in London of his personal protection. He permitted

them to buy land for a cemetery on the edge of London and to hold services provided that they were held in private houses.

Menasseh knew nothing about Cromwell’s response, and while he waited for a reply to his petition, he published a reply to all the libels being circulated about the Jews. Eventually he ran out of money, his son died and he decided to return to Holland with the body. He died shortly after arrival in Holland. He was a broken man. He had lost both his sons and he thought that his mission had failed.

On the Restoration of Charles II to the throne in 1660, all the laws passed by Parliament under Cromwell were reversed, but there was no law about the Jews to reverse. In fact, Charles was grateful to the Jews of Amsterdam for their financial support of his Restoration and he rejected a number of appeals to expel the Jews. Their presence in England was now accepted without question. Menasseh had succeeded in his mission, but he died without knowing it.

Portrait of Menasseh ben Israel (למאריש בן ישראל) on his 1652 magnum opus, Nishmath Chaim (On the Immortality of the Soul).



THE INQUISITION RECORD OF MENASSEH BEN ISRAEL’S FATHER GASPAR RODRIGUES NUNES

On November 5, 1593, Gaspar Rodrigues Nunes was arrested by the Inquisition in Lisbon. He had been denounced by his wife who had been arrested some two years earlier. Under torture, she had been required to confess to Judaising and give the names of other Judaisers. She said that she had observed fasts together with her husband.

On his first interrogation, Gaspar said he was a New Christian and worked as a nail seller in the Nail Sellers street in Lisbon. He had been born in Beja. On December 6, 1594, he was called again to name witnesses in his defence and he was then left in prison for a year and a half to reflect on his case and come up with “contraditas” about those who he guessed had denounced him. The Inquisition never revealed who the accusers were or what they had alleged.

On March 27, 1596, he was interrogated again and explained why his wife might have denounced him. She was prejudiced against him because he had treated her badly. He said that “he has been continuously treating her very badly, giving her many beatings and smacks for the reason that she required accounting from him as to where he came home from late at night”.

On August 28, 1596, the Inquisitors told him he was going to be tortured and he had two torture sessions. The torture consisted of the polé where the victim’s hands were tied behind their back and they were lifted by the arms and sometimes dropped from a great height, often breaking the victim’s arms or shoulders and tearing muscles. Another torture was being stretched on the rack.

Gaspar made no admissions, and would have been released but for another accusation by his wife’s aunt (again under torture). So Gaspar was tortured again and this time he admitted to observing fasts when he had stayed with his wife in Elvas. But by then, Gaspar was suffering very much as a result of the torture and it was decided to release him.

At the Auto da Fé held on February 23, 1597 on the Ribeira in Lisbon, there were 36 men and 54 women. Four men and four women were garroted and burnt, while 83 were designated as New Christians guilty of Judaising. Gaspar had by then been in prison for three and a half years. He was released but was ordered to wear the Sanbenito and attend compulsory masses. His wife was released too but she was driven mad by the torture and died soon afterwards.



ISAAC ABARBANEL

THE HISTORY OF THE JEWS IN PORTUGAL

Jews have lived in Portugal since Roman times and it is estimated that in the 15th century, before the expulsion of Jews from Spain in 1492, there were about 20,000 Jews living in Portugal. There was a flourishing Jewish culture. The first books printed in Portugal were all in Hebrew and there were Jewish printers in Lisbon, Faro and Leiria. There were Jewish astronomers like Abraham Zacuto, who published an almanac of the stars to help navigators and statesmen like Isaac Abarbanel, who was an adviser to the Portuguese king and later the Spanish king. They were also international traders with connections all over Europe.

In 1492, many Spanish Jews left by boat for Morocco, Italy or the Ottoman Empire, but it is estimated that up to 80,000 crossed into Portugal where King João II allowed them in for six months on payment of a head tax. Those who could not pay the tax were enslaved and their children were taken away from them. At this point it is estimated that there were as many as 100,000 Jews living in Portugal out of a population of a million people.

King Manuel wanted a matrimonial alliance with Spain, but in reply to his marriage proposal, the daughter of the Catholic monarchs Ferdinand and Isabella replied that she could not marry the king of a country that sheltered Jews and other infidels. Manuel therefore decided, against the advice of his councillors, to expel all the Jews from Portugal.

He issued an edict of expulsion which included all the Jews recently arrived from Spain. He told them that boats would be available to take them to other countries but none were supplied. Instead, all the Jews were taken to an area close by the docks in Lisbon and forcibly converted. He told them that there would be no investigations into their Catholic faith. Many of the converted Jews and their descendants, or New Christians, as they were called, became priests, professors and advisers to the King and they married into the Portuguese nobility.

Following the establishment of the Inquisition in Portugal in 1536, the New Christians were persecuted over a period of almost 300 years on the grounds that they were still secretly carrying on Jewish rites. As a result, many New Christians were forced to leave and they took with them all their capital, trading expertise and connections. Portugal lost control over the shipping and trading of goods between it and the rest of the world and suffered from a total lack of industrial and technical development for more than 200 years.

Only after the Inquisition was abolished in the early 19th century did Jews begin to return to Portugal. They formed part of trading families who moved between Cadiz, Tangier, Gibraltar and London, and included families in Lisbon, Faro and the Azores. Meanwhile, it has been estimated that 40% of the Portuguese have some Jewish ancestry.



# Poças

## Four generations of tradition

Poças is one of the few Port wine companies that is exclusively Portuguese. Founded in 1918, it has remained in the hands of the same family since its foundation. Essential speaks to oenologist André Barbosa.

TEXT **CHRIS GRAEME**  
PHOTOS **POÇAS**

André Barbosa is one of a new generation of oenologists. Before joining Poças, he had worked on many leading projects in the Alentejo and has been helping to develop the company's experimental wines while being careful to maintain its traditional brands.

It was in 2015, after several years of experience in the field, having passed through different wine regions and various locations around the globe (Portugal, Chile, New Zealand, Austria), that André Pimentel Barbosa joined the winemaking team at Poças, whose business headquarters is in Vila Nova de Gaia, Porto.

In addition to his own unique approach to wine, he has brought many ideas and new challenges to the company

since, in fact, wine culture flows in André's family blood.

Curious, observant and an avid connoisseur of how things work, the Wine Director and Master Blender at Poças never leaves any project halfway through, due to his eagerness to discover the final outcome of any challenge. His contribution has been vital for the development of bold and creative projects such as Fora da Série wines. Since 2021, he has been the winemaking director of the company.

### A FAMILY TRADITION

The winery is currently in the hands of the fourth generation of the Poças family. Pursuing a career in any field other than continuing the family tradi-

tion in winemaking was out of the question from the outset. She took a degree in agricultural engineering from the Universidade de Trás-os-Montes e Alto Douro, and a post-graduate degree in Oenology from the Universidade Católica Portuguesa, Maria Manuel has been in charge of viticulture at Poças since 2005, manages the three family estates, and has been a director of the company since 2020.

Considered to be "the Portuguese side of the history of winemaking in the Douro", traditionally dominated for centuries by the Anglo-Portuguese Port wine families, the company was founded in 1918 by Manoel Domingues Poças Júnior who, over time, managed to convince his family of his knowledge and passion for the world of wine.

Poças has three estates covering 100 hectares, of which 76 hectares are planted with vines.

They are in three sub-regions of the Upper Douro wine region.

These estates, or 'quintas', are Quinta das Quartas in Fontelas (Lower Corgo), Quinta de Santa Bárbara in Ervedosa do Douro (Upper Corgo) and Quinta de Vale de Cavalos in Numão (Upper Douro) – all in regions that are well-known for their excellence status and a mysterious atmosphere, due to the fact that this area just started to be explored for wine purposes in 1791, by the time this part of the River Douro became navigable.

André explains that at Poças there are two worlds that combine. "First, climate change in the region is forcing us to view the grapes and the vineyards

differently, with the style of the Port, red and whites changing. We are rediscovering the region, the way the grapes mature, the way we can explore and create new styles," he says.

Second, André explains that consumer tastes are changing considerably. "Consumers used to enjoy eating rich foods and drinking full-bodied red wines. Today, however, lighter cuisine is more popular, with tasting menus that can be shared being more in vogue."

"Today, winemakers need to create a wider range of different wines to respond to that challenge of a new type of consumer," he adds.

In terms of Ports and table wines, the strategy is different. "We need to educate younger generations of consumers. They are trendy, curious and willing to pay a little more for quality wines."

### EXPERIMENTAL WINES

Poças offers two lines of table wines: the traditional Poças wine, and a new project on experimental wines, begun in 2019. This new brand has an artisanal theme and is called "Fora da Série" – One-off or Limited Edition – and came about as a result of the desire to reinvent techniques, artefacts and stories from the

past, as well as a strong curiosity to see what surprises might be in store.

"Fora da Série" is also unusual because it is experimental in character, and because it exists in a limited edition — thereby being marketed at those who are curious about and interested in the art of wine.

It is precisely these wines that were developed as a result of climate change. André Barbosa can be viewed as what has been termed as 'smart wine producers' who have adapted traditional wine-making practices and traditions that in Portugal are centuries old.

Because summers are hotter and winters are wetter with fluctuating grape seasons, it is difficult to retain consistency in quality, although Portugal has suffered less than countries such as France and parts of Italy.

"Some of these are the results of specific experiments regarding acidity and concentrations during the harvests and demonstrate the new styles of wine being produced in the Douro. This serial-numbered range of experimental wines had been selling really well in the UK market," says André.

"We have also innovated by presenting Port wines in a different, more excit-

ing way. For example, Poças has crated the Port wines that were matured in 'balseiros' to see the difference between the two wines, which have been aged differently and react to different types of maturation. We also repackaged our 20-year-old Port in a different way and the reception was amazing."

But while innovation and creativity has kept the Poças brand trendy and relevant among the millennials, tradition and research have also featured strongly.

"We are currently trying to explore some of the older grape varieties and blending, while reducing the alcohol level in both Ports and table wines," says André. "I think people are surprised by the wide variety of grape castes and the wines that we produce for such a small country."

"We have been educating the international consumer about Touriga Nacional – a variety of red wine grape, considered by many to be Portugal's finest – but I sometimes think we have lost the Portuguese essence, meaning the blends, and the great varieties we have in the regions, in different soils and at varying altitudes," André explains.

However, competition is keen between the many companies in the differ-



Maria Manuel Maia, Paulo Pinto, Pedro Pinto and Jorge Manuel Pinto.

Oenologist and winemaker André Pimentel Barbosa in the blending process.







Poças Visitor Centre in Vila Nova de Gaia.



**“TODAY, WINEMAKERS NEED TO CREATE A WIDER RANGE OF DIFFERENT WINES TO RESPOND TO THE CHALLENGE OF A NEW TYPE OF CONSUMERS WHO ENJOY MORE VARIED WINES TO SUIT LIGHTER TASTING MENUS, RATHER THAN JUST FULL-BODIED REDS WITH RICH FOOD.”**

ent wine aking regions of Portugal. “I think the companies should find a way to come together and communicate as one.”

### SPANNING GENERATIONS

Poças Port, known for their elegance and irreverence, is the oldest wine of the house and the one on which Poças built its reputation. The knowledge built up over 100 years of Port production has been handed down from generation to generation.

In 2019, at the 22nd award ceremony for “Best of the Year”, held by the wine magazine Revista de Vinhos, Poças was awarded the prize of “Fortified Wine Producer 2018”.

But with the young generations in mind, the winery has also used conceptual design creativity and innovation. For example, Poças Tongue Twister Red 2019 has several facets, including sensual labels with cartoon-like graphics which can be altered depending on the language and culture of the destination market.

In fact, Poças has a clear strategy of repositioning the brand in the market based on a versatile house portfolio and the strong links with the artistic community that the winemaker has built up over the last few years.

And even in the Ports, Poças has responded to a market that is a far cry from the traditional image of enjoying a

glass of Port with a fine cigar served with quality cheeses.

Poças has joined forces with baristas and mixologists who have recreated a myriad cocktail recipes that are fun and show that Port can be enjoyed at any time and in different ways.

For example, the company has worked closely with the barman and mixologist Carlos Santiago – winner of the third national edition of the World Class competition in 2017 and elected Barman of the Year in 2015, creating exciting new takes on daiquiris. Then there is the Port Smash, which used 10-year-old white Port mixed with lapsang souchong spirit, lime juice and basil leaves. Another creative innovation is its pre-bottled take on the Pink Lady called ‘Pink Desire’, with Poças Pink wine (rosé), lemon juice, sugar syrup, egg white and raspberries.

In response to growing consumer demand for vegan solutions, in January they set to work on their wines’ vegan certification, now starting with white and rosé Douro DOC and Port wines, but with the intention to cover the whole range in the long term. The vegan wines can be easily distinguished by the V-label stamp on most Poças wines’ black labels.

A wine vegan certification guarantees that all the criteria set by the European Vegetarian Union (EVU) are fulfilled during the whole vinification process, assuring that no substance of animal

origin was used, but only substances of mineral and vegetable origin.

This might seem surprising, as most people when they think of wine do not imagine any non-vegetable proteins floating around in their drink. “For the market and consumers, the vegan world is becoming important and one of the products that used to be used in the clarification of wines was egg whites. We don’t use them in the vegan wines,” André points out.

### COUNTERING INFLATION

Poças produces around two million bottles per annum, leaning heavily toward Ports with a 70% ratio to table wines, although André says that table wine sales have been increasing in recent years.

Export destinations depend on the type of wines, with distinct wines often tailored for specific markets. Port wines are selling well in Denmark and the Netherlands, whereas Poças’ table wines are popular in Canada and Brazil. The United Kingdom is a big market for the company too.

Since the Covid-19 pandemic and the subsequent rising cost of raw materials, aggravated by spiralling energy costs as a result of oil and gas sanctions on the Russian Federation, the prices of cork, glass and even pallets has shot up.

“Of course it’s been a struggle, and we’re not alone in dealing with higher overheads in this sector since inflation has hit everybody. Because we’ve already been changing our production methods towards sustainability, both financially and ecologically, we have focused on buying in bulk, limiting the types of bottles we buy; we try to standardise the sizes of the corks we use, and use the same crates for these bottles and thereby keep our prices down,” explains André.

As to supply chain problems, André says that bulk buyers who are purchasing a million bottles invariably have less issues than smaller wineries who are ordering 10,000 bottles, simply because it is more cost-effective for the bottle producers and the distributors.

Poças met the challenge of Covid-19 by separating the production team from the office staff, the latter working from home during that period. Production and vineyard staff kept to their specific areas, had lunch breaks at different times,



Vintage, Colheita and 10 Years Old White Porto.

clocked on at different hours, that way minimising the chance of contagion among the company’s 80 employees.

### SUSTAINABLE PRODUCTION

Sustainability is also at the heart of the vine cultivation processes. Poças has an agricultural production system based on best practices and respect for nature, sustainable management of natural resources and the use of natural control mechanisms such as the planting of hedges, maintenance of the variety of plant species, and the use of cattle for controlling weeds. In order to contribute to and encourage sustainable agriculture, the Poças vineyards at Numão and Ervedosa do Douro have been certified as employing Agricultural Integrated Production Systems since 2013.

Such systems have obviously helped in offsetting the problem of climate change. Changes in climate has changed the profile of the grapes, with younger vines tending to suffer more since the roots are not deep enough to reach down to sub-soil water holes. However, the more established vines are on average providing good harvests, resulting in mature, full-bodied wines.

“We also try and catch as much rain-fall as we can at our facilities in the Upper Douro, using collected and run-off water in the vineyards, as well as

using more water-efficient hoses to save water. It is changing the way we produce the wines and today we have a much more holistic and 360° approach to water collection, storage and management,” explains the oenologist.

Despite the many challenges facing the wine sector in Portugal, it has continued to grow sustainably in terms of exports. André Barbosa thinks this has happened for two reasons. One is down to the massive increase in tourism over the past few years. “Tourists have discovered that we have really excellent quality wines that are value-for-money and on returning home they want to continue drinking our wines.”

“The other is that the wide variety and styles of Portuguese wines due to the variety of grapes have become very fashionable. Online shops have played a part in raising awareness of our wines,” he adds.

Because of the company’s growing exports, as well as to cash in on Portugal’s growing interest in wine tourism, Poças is expanding its winery over the next three years. “2019 was a great year for us, and despite Covid-19, we enjoyed strong sales figures in 2022 and closed the year in a strong position with €8 million in sales,” concludes André Barbosa, Winemaking Director and Master Blender at Poças. ■

Quinta de Santa Bárbara vineyard, in the Douro.







# The landscape of Portugal's hospitality and residential tourism market

**Portugal's continued popularity as a holiday destination, despite consolidation, has been reflected in the growth of hotels and hotel resorts since 2017, with record numbers of new hotels coming onto the market in 2022. But is the market now saturated? The British-Portuguese Chamber of Commerce invited the CEO of Norfin, Francisco Sottomayor, to shed light on the matter.**

TEXT AND PHOTOS CHRIS GRAEME

In recent years, Portugal has been highly acclaimed in the international media and amongst tourism commentators and influencers worldwide, having received countless distinctions and awards as a tourism destination, including World Travel Awards' 'Europe's Leading Destination 2022'.

Tourism's impact on Portugal's GDP leapt from 13% to 15% between 2016 and 2019 – a record year in which 28 million visited Portugal. However, with the onset of the Covid-19 pandemic, that figure fell down 10% of GDP in 2021 with fears that the destination had peaked and could return to the

numbers seen before the boom years of 2016-2019.

That fear was unjustified when, in 2022, tourist numbers bounced back to achieve almost as high numbers as in 2019 – a year earlier than had been projected by local industry associations and experts.

The number of overnight stays by tourists has also increased significantly over the past decade. Between 2011 – the year in which Portugal had to ask the IMF for financial help – and 2018, overnight stays enjoyed a Compound Annual Growth Rate (CAGR) of 5.5%, while in 2018, 2019 and 2022, the number of overnight stays has remained constant at 57-58 million.

From 2018 to 2022, the number of beds in Portugal grew at a CAGR of 3.1%, which resulted in a slight decrease in occupancy in 2022 on 2019. Nevertheless, last year the Portuguese hospitality market recovered to pre-pandemic levels, achieving a record year in terms of revenues (Revpar +13% on 2019) and Average Daily Rate (ADR) across all regions (Lisbon +8.9%, Algarve +17.5%, Porto and the North +7.7%, Madeira +34%).

This encouraging data from Portugal's National Statistics Institute, which recorded an average national spend in hotels per person of €56.2 per night (+13.8%), had more to do with increased average prices because of inflation (+16.4%) than it did with room take-up rates which actually fell 2.2% or 1.2 points to 54.1% in 2022.

## PORTUGAL'S TOURIST DISTRIBUTION

Lisbon, Porto and the Algarve are the main epicentres of Portugal's tourism market, driving most of the sector's growth. The Algarve accounts for one-third of national hospitality supply in number of beds, being the only region in which the largest slice of overnight stays are foreign (the UK being Portugal's biggest market in the region at 27%).

However, in terms of growth, the north of Portugal has enjoyed some of the greatest success in recent years, with Porto now one of the fastest-growing tourist destinations in Europe with average overnight stays and RevPAR at 3.1%

and 2.5% in the last three years. RevPAR increased 7.7% or €3.3 million on 2019 to a record €46.2 million, with an average daily spend increase up 13.5% or +€11.1, more than compensating a fall in take-up rate of 5.1% (2.7 points) to 49.2%.

The Algarve was also the region which most suffered from the effects of the Covid-19 pandemic, with the number of overnight stays dropping by 64% YoY in 2020. Initial forecasts had suggested a full recovery to pre-pandemic levels in 2023-2024, yet the Portuguese hospitality market outperformed expectations with almost a full recovery last year.

## A CHALLENGING ENVIRONMENT FOR TOURISM INVESTMENT

However, the Covid-19 pandemic, the energy crisis, high construction costs, inflation, high interest rates and the war in Ukraine combined together to create a perfect storm and have not made the prospects for investment in Portugal's tourism sector easy.

Norfin CEO Francisco Sottomayor predicts the start of a slowdown in revenues, although how far would depend on how economies reacted to inflation.

Growth in tourist numbers will also depend on how quickly Portugal's government decides on a new international airport for the Greater Lisbon Metropolitan Region, which will impact on investment in hotels growth from large multinational operators in the market, since greater airport capacity inevitably would mean more tourists, and more tourists require more hotels.

"I don't like saying that we are a small market, but the truth is that we are, and although there is a lot of capital that wants to enter the Portuguese market, the opportunities are less than they were," said Francisco Sottomayor, who has been at the helm of Norfin since

April 2022 (Norfin (Arrow Group), a real estate asset management company with 22 years in the Portuguese market and some €1.5Bn of assets under management).

Norfin is one of the largest real estate investment managers in Portugal. So far this year, it led the acquisition of assets at Herdade da Aroeira (a gated community 30 minutes from Lisbon), while in 2022 it began construction of the Monview apartments development in Miraflares, joined Whitestar in officially launching another apartment development, Antas Green, in Porto, the residential development Lisbon Heights, the new Campo Novo neighbourhood in Lisbon, the Oriente Green Office development also in Lisbon, and announced that it had €500 million to invest in hospitality over five years.

Norfin's existing diverse portfolio includes the Office Park Expo (on Campus da Justiça – a complex that serves as a 'Justice Centre'), which is a reference on the Iberian Peninsula, and the luxury residential Prata Living Concept and Metropolis, all in Lisbon.

Francisco Sottomayor is also responsible for real estate assets at Arrow Portugal. The executive has a long and illustrious career in asset management, real estate development and project management, which included being Head of Development at CBRE Portugal for 11 years, and Director of Asset Management at Parque Expo – the company that was responsible for the design and implementation of the largest integrated urban regeneration project in Lisbon, today called Parque das Nações.

Addressing business people at a British-Portuguese Chamber of Commerce (BPCC) event in April, Francisco Sottomayor said there had been doubts as to whether the Portuguese market had the capacity to continue to grow at recent rates, but he believes Portugal has



remained and will continue to be a relevant destination – despite higher air fares – because of the relatively short times it takes to get to its main European tourist markets (Spain, UK, Ireland, Germany, France, Netherlands and Scandinavia).

#### BOOM IN NEW HOTELS

The transaction volume of hotels in the Portuguese hospitality real estate market has been nothing short of staggering in recent years, going from €53 million in 2017 – the year the tourism boom began – to €904 million in 2022.

“We have a hospitality market that is very consolidated in terms of hotels; 60 of our hotels in Portugal are independent, but from these we will likely see a transfer from individual operators to more professional operators, with a refurbishment and upgrade of Portugal’s existing hotels stock,” he said.

The most important real estate hospitality transactions were made by international private equity firms, however asset management, insurance, and real estate companies have also been involved in some of the big ticket deals since 2019.

Undoubtedly, the biggest deals were Project Crow by the US private equity firm Davidson Kempner involving 18 properties for €850 million, the US asset management firm Invesco with the Tivoli Portfolio for €313 million, the Spanish private equity company Azora which purchased a Pestana hotel building in the Algarve (€307 million), Palminveste real estate company with the Real Hotels portfolio (€300 million), and the US Carlyle private equity company with the Penha Longa Resort, Lisbon (€100 million).

Despite the pandemic and economic uncertainty caused by inflation and high interest rates – which led to the postponement and/or rethinking of many hotel projects –, hotel openings are expected to add 11,320 keys to the sector with 130 new hotel projects to 2025, of which 37 will be in the Lisbon Metropolitan Area, the big players being SIG - Sani & Ikos Resorts (5), Hyatt (5), Radisson (4), Melia (5), Mercan (3), and Marriott (5), among others.

That said, the Portuguese hospitality sector is still very fragmented: 84% of hotels are either part of a small family

business or a small hotel chain. Portuguese owners control two of the country’s largest hotel groups: Pestana (73 – 5.4% of all hotel beds) and Vila Galé (25 – 1.2% of all hotel beds).

Other Portuguese hotel groups in the top 20 that are important in the market include Hoti/Meliá (19 units), SANA (13 units), VIP (12 units), Discovery - DHM (16), Turim (16), Porto Bay (12), Dom Pedro (7), NAU (10), Fénix HF (9), and Luna (13).

#### THE RESORT MARKET

Without a doubt, one of the markets that has most grown over the past few years is the residential resorts market, with sales volume increasing by around 20% in 2022 compared with the same period in 2021.

The greater diversification of nationalities in the various destinations, coupled with the strengthening of the British in their traditional market of the Algarve, can be seen in the context of increased sales of homes in gated resorts, with this 20% growth in units sold translating into one of the highest activity levels seen in this sub-sector since 2017.

Albufeira-Loulé and the Atlantic Coast accounted for one-third of sales each; Barlavento and Sotavento also had around 20% each. Regarding average price, Albufeira-Loulé posted average sale prices of €4,625/m<sup>2</sup>, while Barlavento and the Atlantic Coast registered sales of around €3,000/m<sup>2</sup> and €3,800/m<sup>2</sup> respectively.

But with the end of the Golden Visa programme, by which overseas non-EU citizens purchased the right to residency in exchange for a property investment of €500,000 or over, how far will Portugal’s residential resorts be damaged in terms of demand, and will the large equity and real estate funds rethink their residential tourism strategies linked to hotels and hotel resorts?

Pedro Fontainhas, the CEO of the Portuguese Association of Residential Tourism and Resorts (APR), admitted that it had received calls from clients and investors who had suspended their investments since the Government made its announcement to scrap Golden Visas for residential purchases on February 16.

According to Pedro Fontainhas, the Government has ended the remaining

parts of the programme linked to real estate investment that had been left out when it terminated it in Lisbon, Porto and along large swathes of the Algarve coast a year before.

The resorts industry head points out that tourism units are not the same as housing in urban areas like Lisbon, but rather a parallel real estate offer integrated into a resort, offering a number of tourism services, and aimed at temporary use for both the Portuguese and foreigners.

“Unfortunately, the damage has been done and we don’t understand the arguments as to why the Government would want to end the Golden Visas for tourism. For many hotels, the end of the programme will not have a big impact, but there are many tourist projects that were designed specially to work for hotels with branded residences with the Golden Visa in mind, which is in my view one of the intelligent ways for investors in tourism to qualify their offer of integrated products,” he said.

The APR head believes that the Golden Visa offered in exchange for a property within a hotel resort had the positive effect of reducing the demand for temporary homes, and adds that the Government’s measure is senseless because “we’re once again showing the total instability of our legal and tax system which conveys a poor image of Portugal and its government”.

It is a concern that Norfin can relate to, since one of its new developments is a tourism development close to the beach at Carcavelos near Lisbon, in a branded residences format which will be associated to an international hotel chain, work on which started this year – a project that will not be able to benefit from Portugal’s Golden Visa programme eligibility for which had already been terminated along the Estoril/Cascais coast in 2022.

#### CHRONIC STAFF SHORTAGES

Portugal’s tourism sector is vital in terms of employment, employing around 20% of Portugal’s workforce either directly or indirectly.

And if traditionally hospitality is badly paid in any country, in Portugal it is particularly poorly paid, ranging from €36,293 per annum at the top end and as little as €10,897 at the bottom,

**“THE CHINESE MARKET IS NOT REALLY VERY RELEVANT FOR US; ON THE OTHER HAND THE US MARKET, BEING A LARGE MARKET WITH A HIGH SPEND PER HEAD, HAS POTENTIAL TO HAVE A BIG IMPACT IN LISBON, PORTO AND OTHER REGIONS TOO.”**  
**FRANCISCO SOTTOMAYOR, CEO, NORFIN.**

depending on region, experience, qualifications and number of years in service.

Even more stark is the difference in salaries that men get compared to women, with a good salary for men considered €45,407 compared to women’s salaries of €22,431, according to averagesalarysurvey.com.

Poor pay, coupled with long and unsociable hours and the high cost of accommodation, saw many in the industry who had been laid off during the Covid-19 pandemic use the time to re-skill. The result is that they voted with their feet and left the profession, leaving Portugal’s hotels understaffed by around 20,000 and forced to bring in employees from other Portuguese speaking countries to fill the vacancies.

It was an issue addressed to the Norfin CEO at the BPCC event, admitting that hiring and keeping qualified staff was an issue while “our workforce doesn’t want to do shift work, so we don’t have any alternative but to recruit staff from overseas”.

The second problem for hotels is putting staff up, particularly in out-of-town areas like Comporta in the Alentejo. In the Algarve, some hotel chains have resolved the problem by providing accommodation at affordable rent. Either way, providing accommodation is “fundamental for the sector” and Portugal’s sustainability as a tourist destination. “We have had the absurd situation in the Algarve where in August some hotels have had to reserve some of their room stock to accommodate the staff!”

#### THE CHINESE AND US MARKETS

Although the Chinese market has had some influence in Lisbon and Porto, Francisco Sottomayor says that Chinese visitor numbers are low and have had a residual impact in the Algarve.

“The Chinese market is not really very relevant for us; on the other hand

the US market, being a large market with a high spend per head, has potential to have a big impact in Lisbon, Porto and other regions too.”

The Norfin CEO noted the remarkable increase in US tourists to Portugal, which was extremely relevant and had practically been non-existent a few years ago. For example, according to the Portuguese tourist board Turismo de Portugal, between January 2022 and November 2023, overnight stays from US holidaymakers in Portugal posted a growth of 353%, while the number of guests increased 360% to 1.1 million tourists (200,000 more than in 2019).

Americans, he said, primarily were motivated by short stays in several countries to discover Europe, but the potential of the American market for Portugal’s tourism sector was huge. “The Americans tend to go where there are US hotel

chains, and I think the fact that large chains are moving into or expanding in Portugal (Sheraton, Marriott and Hilton) is a sign they recognise this.”

Of course, part of this success has to do with the work on marketing campaigns and investment the Portuguese tourist department has made in the US market, and which had been tremendously successful, but had also been the fruit of public-private cooperation between Turismo de Portugal, the airlines such as TAP, and the large hotel groups.

“There is also something in Portugal that reminds the Americans in their collective memory of how Florida and California were in the 1950s and 1960s and which they can identify with, particularly in the seniors market. It might be a very small part of the market, but given the sheer size of the US market, a small part is significant for Portugal,” he concluded. ■

L-R: Frederico Leitão (Savills), Filipe Lowndes-Marques (BPCC Chairman), Francisco Sottomayor (CEO Norfin), Rui Almeida (BPCC Chairman), Paulo Silva (MP Savills)







L-R: Miguel Mota (KLM-Air France-Delta), Sofia Lufinha (TAP), John Calvão (Arrow), Ana Paula Vila (US Embassy), José Roquette (Grupo Pestana), António Martins da Costa (AmCham), Patrícia Barão (JLL), Luís Araújo (Turismo de Portugal).

# America's fascination with Portugal

**Portugal is riding the crest of a wave of investors, relocators, tourists and business visitors from the United States. But why have Americans become so fascinated with Portugal?**

TEXT **CHRIS GRAEME**  
PHOTOS **AMCHAM**

It started with a trickle in 2016, but the roots go back to Portugal's Great Recession from 2011, when US journalists began covering Portugal's sovereign debt crisis and €78Bn bailout from international lenders.

What they discovered was an unpoluted paradise of pristine beaches, charming historic towns, fine food and wine, and a welcoming people. The gloom and doom articles quickly shifted from the financial pages to upbeat weekend supplement magazine features about this sunshine-drenched, undiscovered gem on the other side of the pond.

Today, the reasons why Americans are relocating or holidaying in Portugal

are legion. They range from disenchantment with the political system and security in the United States, to a longing for a largely illusory lost 'American dream'; that California and Miami lifestyle that is seen as under threat, with Portugal providing a tantalising reflection of the good old days in the 1950s, '60s and '70s.

But is it that simple? Portugal is certainly proving a magnet for young tech-minded Americans, especially from California, who have discovered the lifestyle and a burgeoning startup community in Lisbon and elsewhere.

The expansion of new airline routes and the frequency of flights, not to mention clever and targeted tourism cam-

paigns by airline TAP and Portugal's tourism bureau, Turismo de Portugal, have also played a part.

Whatever the reasons, Americans simply like Portugal and the Portuguese. They love the friendliness, the fine, wholesome food, the great wines, the beach lifestyle, the history and the culture, and they like the fact they can frankly get a better lifestyle at a cheaper cost than back at home.

The different aspects of why Americans are coming in their droves to Portugal was discussed in May at a conference organised in Lisbon at the Pestana Palace Hotel by the American Chamber of Commerce in Portugal (AmCham), which

invited leading lights from different business and government areas to discuss the phenomenon.

## SKYROCKETING NUMBERS

The conference began with a back-of-the-envelope calculation on hotel occupation numbers: from a total of 26.5 million hotel guests, of which 15.3 million were foreigners, last year saw a staggering 47 million overnight stays — a huge increase on 2021, but not quite the numbers of that record year 2019 (-2.3 million).

The number of US tourists visiting Portugal grew by around 25% on 2019, representing 10% of all the overseas tourists who visited Portugal last year, and studies suggest that this growth in the number of Americans will continue to grow in 2023.

The growth of US tourists in Portugal, fed by the large offer of flights between the two countries, has also been among the many reasons behind the growth in real estate house sales to Americans in Portugal.

The President of the American Chamber of Commerce in Portugal (AmCham), António Martins da Costa, pointed to some of the statistics on the number of US tourists that came to Portugal last year, which stood at around 1.5 million.

The number of overnight stays from Americans had shot up by 27% last year on 2019 — the biggest growth from all the overseas tourist markets, including the British and French markets; traditionally Portugal's best customers for holidays.

In terms of tourism revenues, the US appeared in 5th place in 2022, with a growth of 52% on 2019. This was the biggest growth in terms of sources of tourism, well ahead of countries like the United Kingdom, France, Germany and Spain.

The United States is now the nation that invests the most in commercial real estate in Portugal, snapping up €1.15Bn in properties in 2022 — 33.7% of all commercial real estate investment, three-quarters of which was from overseas investors, and divided percentage-wise into hotels (30%), offices (30%), industrial use (20%) and retail (20%).

According to JLL Portugal — a real estate consultant —, in the first quarter of 2023, the US represented 67% of real estate investment in Portugal in what was a record year.

"It's a fact that the Americans have been discovering Portugal over the past few years in the various segments of real estate, and we have seen significant investment growth over the past five to six years in commercial real estate," says Patrícia Barão, who heads JLL's residential real estate department, but also knows the commercial real estate segment.

For example, 2022 was a record year for American investment in commercial

**"IT'S A FACT THAT THE AMERICANS HAVE BEEN DISCOVERING PORTUGAL OVER THE PAST FEW YEARS IN THE VARIOUS SEGMENTS OF REAL ESTATE, AND WE HAVE SEEN SIGNIFICANT INVESTMENT GROWTH OVER THE PAST FIVE TO SIX YEARS IN COMMERCIAL REAL ESTATE." PATRÍCIA BARÃO, HEAD OF RESIDENTIAL.**

real estate (€1.150Bn), largely thanks to Project Crow, a hotel portfolio purchased from a number of Portuguese banks by the US fund Davidson Kempner for €850 million, as well as funds like Blackstone which invested €300 million in industry and logistics portfolios last year.

"The sectors in which Americans invest are very varied and if we look at the first quarter of 2023, the Americans represent around 67% of commercial real estate investment, with €150 million invested in a retail portfolio alone", with the purchase by LCN Capital Partners of 50 supermarket buildings, most of them in the Greater Lisbon Metropolitan Area.

## MORE COMPETITIVE PRICES

But according to Patrícia Barão, it is not just Portugal's commercial real estate market that's attracting the attention of US equity funds and smaller private investors.

"Americans are big investors in Portugal's residential housing market," she said, pointing out that of the 170,000 properties sold in Portugal in 2022, only 6% were bought by foreigners — making a mockery of the oft-repeated accusation that foreigners are stripping Portugal of its available housing stock.

Of this total, the US market represented 15% of transactions by foreigners and the American market had grown the most when it comes to property sales to buyers from overseas.

"When we look back to 2016, Americans only represented 2% in residential, now it's 15%. Here we have living proof that Americans have discovered Portugal," she said.

Patrícia Barão is quick to point out that different factors have contributed towards this increase in house sales from US citizens, including the more competitive prices of properties in Portugal and the increase in the strength of the dollar.

"We have American clients who have sold their properties in Florida, bought a house in Cascais, and say that with the difference they have pocketed, they are able to live comfortably for the rest of their lives."

When it comes to their chosen locations to live, around 40% of the properties are in Lisbon, 13% in the Algarve and 9% in Porto, but the luxury property consultant said that other regions have a huge potential for growth. But there needs to be an offer that meets the American demand profile.

And while buying a house in Portugal has proved to be a wonderful investment for Americans, their main motivation has been to buy a house in which to live, and this has "really taken off thanks to the current remote working scene, so it's not just buying a holiday home", adds Barão.

But aside from the good value for money offered by Portugal's quality property, the main reason that so many Americans want to live in Portugal is, in her view, that they fall in love with the



beauty of the country and the quality of the lifestyle, “something that the Portuguese very often don’t value”, explains Patrícia Barão, adding that once they’ve found a family house, many then seek to put their children in American colleges that Portugal also has.

**AIRPORT INFRASTRUCTURE  
CRITICAL**

Portugal’s airport infrastructure at Lisbon has struggled at peak times to handle and process the huge numbers of tourists that have visited the country from all over the world in recent years.

This year, an independent technical commission was hired by the Government to evaluate nine possible locations for a new international airport to serve the Lisbon region and the findings will be presented at the end of the year.

The numbers that justify the need for a new airport speak for themselves: 27 millions passengers disembarking in 2022 at Portugal’s main airports (Lisbon, Faro, Porto, Funchal (Madeira) and Ponta Delgado (São Miguel, Azores)), 50% of which came through Lisbon.

Sofia Lufinha, Chief Strategy Officer for TAP Air Portugal, says that more demand had fuelled demand for more flights and direct flights to US destinations, which in turn has increased demand.

Comparing flight data from 2019 to 2023, Portugal’s airports have seen a 40% growth in flights per week from the US to Portugal (all airlines) with over 100 direct flights per week from cities in the US. When looking at TAP, the increase is even sharper with a growth of 60% in flights per week, with 62 TAP flights to the US.

“There has been a lot of recent growth, and from last summer to this, we have increased the frequency of our flights by 15 to meet growing demand which can only be good news,” she says.

In terms of TAP passenger numbers and comparing Q1 2019 to Q1 2023,

these have more than doubled and revenues have tripled. “Americans have a greater purchasing power and are more willing to pay more and for more options which offer greater flexibility, attributes and services,” she continues.

**CAPITALISING ON THE LISBON HUB**

Regarding the number of flights to Portugal from the United States, not all passengers come with the express intent to visit Portugal.

“Lisbon is a hub airport for TAP, with flights carrying connecting passengers onward bound to [other destinations in] Europe, Africa, and Tel Aviv [Israel]. We are in a very good geographical position to link the United States to these locations,” explains Sofia Lufinha.

The TAP executive says the airline has cleverly capitalised on this onward passenger traffic with a campaign designed to promote tourism in Portugal. “We have a programme that has been a great success called ‘Stopover’, which enables people to visit the city for three to five days without their flight costing more because they’ve cut their journey,” said Sofia Lufinha.

To give an idea of the programme’s success, in the first quarter of 2023 alone, around 12,000 onward-bound passengers availed themselves of the programme to see the sights of Lisbon.

Luís Araújo, President of Turismo de Portugal, the country’s tourism promotions agency, says that a number of factors are behind Portugal becoming the go-to destination for Americans; the improved and increased airline services and routes being one of the main ones which had contributed towards Portugal being in vogue for tourists and relocators.

In January and February, for example, Portugal enjoyed a like-for-like growth in overnight stays from the US market of 65% on 2019.

“This shows us that there continues to be a growing demand from the US and

we believe that this will continue to solidify,” he says.

“Air connectivity has been important in this sense, and obviously it’s not just TAP that has been responsible for bringing in the visitors. Today there are five airlines offering direct flights to the United States from four national airports,” he adds.

In 2017, airlines had an offer of 1 million available seats between the US and Portugal; today the airlines have 2 million seats.

“The most extraordinary thing is not that we have so much seat availability, but that the market has managed to recover so rapidly after Covid-19,” explains the tourism chief.

Equally important is that 40% of passengers arriving from the US are specifically visiting Portugal rather than using Lisbon as an outbound hub.

Araújo points out that Portugal is held in high esteem by Americans, but that this esteem and visibility is not just to do with the US market. The US was the most important long-haul market in 2022 for Portugal, but it was followed by Brazil, Canada in third place, and Israel in fourth. The fifth most important long-haul market for Portugal was Australia.

“This shows us the capacity Portugal has to attract different audiences, despite no direct flights to Australia,” said Luís Araújo.

**WORKING ‘BRAND PORTUGAL’ IN  
THE US**

Turismo de Portugal has done a lot of B2B work over the past few years to strengthen its links with New York, while last year it was the first time that Portugal was the invited country at an event in Las Vegas.

“It’s a question of working the market to position Portugal in a different light,” said Luís Araújo, who refers to a campaign launched in November last year called ‘Close to Us’.



John Calvão (Arrow), Luís Araújo (Turismo de Portugal), Sofia Lufinha (TAP), José Roquette (Grupo Pestana), Patrícia Barão (JLL), Miguel Mota (Air France-KLM-Delta).

This plan for the promotion of Portugal in the United States aims to place Portugal as a strategic market in the development of national tourism and included advertising on all the digital billboards in New York’s emblematic Times Square on Friday, November 18 at 6pm.

The ‘Close to US’ campaign promoted the diversity of the national tourist supply based on Portugal’s main assets as a tourist destination, as well as passing on the message that the tourism of the future is done in a responsible and sustainable way, contributing to a better planet.

More than 60,000 people saw the campaign, which was the first digital out-of-home campaign Portugal had ever conducted.

“This is not just a question of tourism; obviously the uptick in real estate sales was a knock-on effect of our campaigns, and we’ve seen this spill over into other areas. For example, the correlation between the growth of Portuguese wine exports to the United States is exactly proportional to the evolution in the number of US tourists visiting Portugal,” he says.

Miguel Mota, Sales Manager for Portugal at Air France KLM and Delta Airlines, says that in the second half of 2022 (compared to 2019), the airline saw a

10% growth in passenger numbers to the United States for tourism, and that looking at Q1 of 2023, the growth was even more impressive at 30%.

As for the future, the signs are positive, with a capacity for the summer of 2023 projected at +35% in direct flights from Portugal.

Indirect flights from hubs like New York and Boston, and from London and Paris in Europe, are also important for Portugal for increasing capacity.

“Tourism from Portugal to the United States has been very strong on the back of all this capacity, both direct and indirect,” he says.

José Roquette, Board Member and Chief Development Officer of the Pestana Hotel Group, agrees, saying: “We are all aware of the visibility that Portugal has as a holiday destination, with investment opportunities well below what they could be from the United States.”

“We have had a presence in the United States for 10 years with three hotels, and today we feel the force that American tourism has in Portugal. The number of Americans staying in our hotels has tripled in four years. It was equal to Brazil but now accounts for more than double, and has doubled on Spanish tourist numbers in our hotels and is the third biggest nationality after the English and the Germans,” he says.

**US INVESTORS NEED TAX  
CONSISTENCY**

John Calvão, Managing Principal and Co-Head of the Arrow Fund, which last year sold 2% of all the residential sales in Portugal to Americans, explains how Arrow has been a big investor in recent years, having already invested €1.5Bn in Portugal.

But one of the main problems for American investors is the bureaucracy and uncertainty over the tax laws that change every year, and explains that investors in real estate could not have that inconsistency, adding that the government needs to “instil more confidence in its taxation and administrative systems if it wants to attract more US investors”.

Calvão, who lived in Portugal between 2010-2015, has been investing in Portugal through Arrow and two other funds since 2010, and Arrow is today one of the biggest investors in Portugal.

When Portugal went through the sovereign debt crisis and troika years, he was responsible for bringing a lot of capital to the country and made a lot of investments, as well as investing for others via platforms.

“One of the reasons why we have felt comfortable in investing in Portugal is because we have our local platforms, which is not the case with other funds. Many do not realise that we employ over

**“LISBON IS A HUB AIRPORT FOR TAP, WITH FLIGHTS CARRYING CONNECTING PASSENGERS ONWARD-BOUND TO DESTINATIONS IN EUROPE, AFRICA, AND ISRAEL. WE ARE IN A VERY GOOD GEOGRAPHICAL POSITION TO LINK THE UNITED STATES TO THESE LOCATIONS.” SOFIA LUFINHA, CHIEF STRATEGY OFFICER FOR TAP AIR PORTUGAL.**



1,200 people in Portugal, having invested over €1.5Bn.

“If you were to add all of our core investments, we are probably responsible for more than €5Bn since 2010,” he adds.

“When you hear that the Americans are investing, you have to break that down into what it really means. When we talk about Blackstone – one of the world’s largest alternative asset managers — or Arrow Global as investors, that money comes from all over the world. It is not just American, although it tends to be decided by Americans,” he explains, since they lead most of the funds.

John Calvão pointed out, however, that the leaders of the large US funds do not “know Portugal and its market at all, let alone having ever visited Portugal”.

“The majority of the big international funds have never invested in Portugal. It’s not because they don’t like Portugal, it’s simply that we’re not big enough to matter. It sounds bad, but they don’t care about many countries because they don’t have scale,” he explains.

However, that doesn’t stop huge funds like Blackstone or Pimco Global Investors, which also has interests in Portugal.

“Portugal would get a lot more interest if we could remove some of the main problems that investors have in Portugal. We are very bureaucratic in Portugal and governments change their mind all the time.”

It was a thought echoed by Sheree Mitchell, whose company Immersa Global has a footprint in Miami in Florida and in Lisbon.

Sheree, who has perhaps done more than any single American to promote Portugal and its cuisine, wines and boutique hotels in the US, thanks to her lively and passionate promotional videos on YouTube and TV, says that if she had known today the sheer costs and bureaucracy involved for Americans in setting up a business in Portugal, she would have thought twice before investing.

John Calvão gives the example of tax changes from year to year and explains that long-term investments that are five or 10 years in nature, as is the case in real estate and hotels development, cannot afford to have inconsistency with laws, especially tax laws.

“When you start to buy or develop an asset, the financiers need to have

**“THE MAJORITY OF THE BIG INTERNATIONAL FUNDS HAVE NEVER INVESTED IN PORTUGAL. IT SOUNDS BAD AND IT’S NOT BECAUSE THEY DON’T LIKE PORTUGAL, IT’S SIMPLY THAT WE’RE NOT BIG ENOUGH TO MATTER.”**  
**JOHN CALVÃO, MANAGING PRINCIPAL AND CO-HEAD OF THE ARROW FUND.**

predictability on the investment cost. If you change the tax every year, it creates an uncertainty and beggars the question as to why you would want to invest in certain countries,” he says.

#### THE GOLDEN VISA

Portugal’s Authorisation of Residency through Investment Programme (ARI), more commonly known as the Golden Visa, has been decisive for 10 years in attracting foreign direct investment, representing around 12% of total real estate investment in Portugal and over €6Bn for the period.

In 2021, the lion’s share of these Golden Visas were awarded to Brazilians, followed by the French, and in third place, Americans. Last year, Americans were the number one applicants for the regime.

Nevertheless, citing inflationary pressures on urban centre housing markets, particularly Lisbon, the Portuguese Government announced in February this year that it would terminate the programme.

Without going into clear details on how it would be ended, and what would happen to applicants who were already in the system, to the widespread consternation of property and estate agent associations, the Government gave no phasing out period, but stated it was from the day of the announcement of a controversial housing package (More Housing), which aims to provide more housing for young people and the middle classes at affordable prices.

On the Government’s decision to scrap the Golden Visa programme, John Calvão said that if an American chooses to live in Portugal, it’s not for financial reasons, as is the case with citizens from other countries, because “they continue to pay taxes in the United States regardless of where they are”.

Patrícia Barão worried that the news that had been circulating overseas, especially in the US market, about the end of the Golden Visa and ‘More Housing’ programmes had not painted a good image of Portugal to overseas investors.

“The measures with words like ‘discourage’, ‘end’, ‘ban’, had not been good terms when talking about overseas investment attraction,” she said. “However, the fundamentals of the country have remained strong, so it is not these that will dampen down the optimism that the growth in tourism and real estate has had and looks set to continue to enjoy.”

#### TRANSATLANTIC TRADE

In terms of transatlantic trade between Portugal and the United States, the US is the fourth main destination for Portuguese goods and services, and the major destination for exports outside the European Union with €9Bn of export trade in goods and services. Inversely, imports from the US to Portugal stood at €5.2Bn, resulting in a positive trade balance in Portugal’s favour.

#### PORTUGUESE TOURISM IN THE UNITED STATES

Ana Paula Vila, Commercial Services Advisor at the US Embassy in Lisbon, believes that tourism is a “highway with two directions” where synergies can be found along the way.

In 2019, around 15,000 Portuguese tourists travelled to the United States. With the pandemic, that number plummeted to 449 in 2020, recovering to 7,000 by 2021. Last year, the numbers rose again to 14,000.

“We’re anticipating that 2023 will be a record year for Portuguese tourists in the US, since up until February almost 10,000 had travelled there,” she said.

Whichever way you look at it, Portugal has been discovered by the United States, which has fallen in love with the country and the lifestyle, and that looks set to continue for the foreseeable future. ■



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# AgentifAI

## Everyone needs a girl like Alice

Since entrepreneur Rui Lopes introduced the world to Alice, she has become an absolute sweetheart for over 3 million customers Europe-wide. Essential Business spoke to the founder of AgentifAI to see what is behind her bedside manner.

TEXT **CHRIS GRAEME**  
PHOTOS **AGENTIFAI**

**W**e've all grown accustomed to Google's Alexa, the home assistant who selects your music, can find and call a local takeaway restaurant, or set an oven timer in your kitchen.

But when it comes to more business-focused or routine services, like calling the doctor's surgery to make an appointment or transferring money, we're still kept waiting in a telephone queue, or make our silent transactions online via laptops or mobile phones.

Or we did, until Alice came onto the scene. Alice is friendly, and understands you and your needs. You won't be able to take her out for dinner, but she will make sure you get to your doctor's appointment on time and make payments without having to pop into an ATM Multibanco machine.

Alice is not an actual physical personal assistant, but she is the next best thing. The brainchild of entrepreneur Rui Lopes who came up with the idea in 2016 and created the startup AgentifAI which is based in Braga in the north of Portugal and employs a team of 30 professionals.

AgentifAI specialises in artificial intelligence. Since it was founded, it has attracted €11 million from investment funds like the Next Tech Fund.

And the remarkable thing about Alice is that she is a polyglot, an artificial intelligence robot who speaks in a lifelike and natural manner in English, French,



CEO AgentifAI Rui Lopes.



Portuguese, and Spanish, with bank and healthcare customers.

The unique value proposition of the technology is that it can book appointments for scores of different medical procedures in the case of healthcare, or carry out financial operations easily employing intelligent, natural, empathetic, and human-centric language.

"This more human approach is trailblazing and state-of-the-art, which puts us a step ahead of other players in the market using existing digital assistant technology."

"For example, you can book a medical appointment or an ultra-scan and electrocardiogram (ECG) or check your bank account balances, transfer money, and even pay your bills using Alice," says Rui Lopes about the digital assistant that already caters to more than 3 million people in responding to their needs in the areas of health and financial services.

"Alice is the humanised artificial intelligence assistant that is increasingly in people's 'hearts'" he adds.

"We developed this tool precisely because some over-the-telephone voice bots have not offered very authentic and good experiences. Alice has made the conversion as close as possible to speaking to an actual human being, offering users a good experience, one that is not frustrating, that really works, and focused on specific sectors, in this case, banking, and healthcare," he concludes. ■



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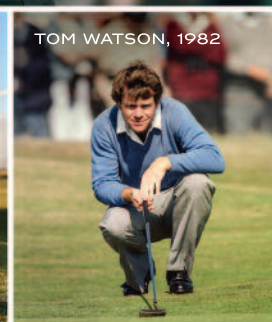
ROYAL LIVERPOOL



TIGER WOODS, 2006



CLARET JUG



TOM WATSON, 1982



COLLIN MORIKAWA,  
2021

## DE VOLTA ÀS ORIGENS

Não podia haver melhor nome para este torneio. Open. Aberto. Tal como um livro, estes campos são páginas que contam a história riquíssima e espetacular do golfe. Aqui, entre as rochas cinzeladas, os terrenos majestosos e os ventos caprichosos, os jogadores desafiam tanto a dureza como a beleza dos elementos, que inspiraram o nascimento deste desporto há séculos atrás. Aqui, os profissionais mais experientes tanto podem sorrir como franzir o sobrolho. Mas qualquer que seja o seu estado de espírito, valor ou número de vitórias, curvam-se sempre perante a soberania dos elementos. Porque sabem que neste livro aberto, cabe-lhes a eles escrever a sua própria história. **No The Open.**

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